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# ***Daily Report***

## **China**

FBIS-CHI-89-185  
Tuesday  
26 September 1989

# Daily Report

## China

FBIS-CHI-89-185

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26 September 1989

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Vice Minister Addresses World Bank Committee

OW2609013989 Beijing XINHUA in English  
0114 GMT 26 Sep 89

[Text] Washington, September 25 (XINHUA)—China today urged developed countries to reduce trade protectionism, and create necessary conditions for developing countries to expand exports and implement structural adjustment programs.

China's vice minister of finance, Chi Haibin, issued the call at the 37th meeting of the Development Committee of the World Bank, which opened here today.

The growth in industrial countries for successive years has not brought about a commensurate development in developing countries, Chi said.

Industrial countries' ever-increasing trade protectionism, the deteriorated terms of trade for many developing countries, high real interest rates and the heavy debt burden have made it impossible for many developing countries to reach the expected goals in implementing their adjustment programs.

In formulating their macro-economic policies, developed countries "should not be concerned only with the narrow interests of their own or among themselves."

"The potential impact on developing countries should also be taken into account," Chi said, adding that from a long-term perspective, "this is also beneficial to developed countries themselves."

"China notes with concern the development of regionalization and bilateralism in world trade and looks forward to progress in the Uruguay round multilateral trade talks," he said.

Only when the economy has developed can the debt problem be really resolved, he told the meeting.

"We hope that the international community will strengthen its coordination, and will facilitate the speedy implementation of the existing agreements while continuing the exploration of new approaches in order to solve the debt problem as soon as possible."

He expressed the hope that international financial institutions would exercise their advantages, and make financial and technical contributions to the implementation of the debt reduction proposal.

On the issue of environmental protection, "industrial countries must be the first to assume its due responsibilities and take necessary actions.

"For many developing countries, an important cause for environmental deterioration is poverty," the vice minister said.

"Only by assisting these countries to develop their economies, alleviate poverty and reduce the population growth rate, can we bring a fundamental solution to the environmental problem."

He said that China hopes that the World Bank, in handling projects related to environmental protection, will take into full account the stages of economic development of the borrowing countries, as well as other particular circumstances.

He called on the world financial institution to make best efforts to fit the design of the projects into the conditions of the borrowing countries, in order to achieve the dual objectives of economic development and environmental improvement.

### Commentary Views 44th UN Session Prospects

HK2609094089 Beijing RENMIN RIBAO in Chinese  
19 Sep 89 p 3

["Commentary" by staff reporter Liu Kaichen (0491 7030 1369): "Prospects for the 44th UN General Assembly"]

[Text] United Nations, 18 Sep—As autumn approached with the passing of summer, representatives of 159 countries arrived in New York to attend the 44th UN General Assembly, scheduled to open 19 September, and discuss world affairs.

The international situation has further relaxed this year. The trend from confrontation to dialogue and from tension to relaxation between the East and West is continuing. However, this does not mean that everything is well with the world. Although U.S.-Soviet relations have improved somewhat, they are still opponents contending with each other in various fields; although the arms race between them has slowed down somewhat, they have not ceased their activities; and although the temperature of the "hot spots" in regional conflicts has cooled down, the problem is far from being settled. The world's economic growth has slowed, and the economy of many developing countries has stagnated in particular. They are now heavily in debt. The gap between the South and North has been further widened, and the irrational international economic order demands further improvement. As the world today is still confronted with the two major tasks of maintaining peace and seeking development, the current UN General Assembly will also be faced with the two major topics of peace and development.

There are 149 items on the provisional agenda of the current UN General Assembly, more or less the same as the previous session. Thanks to the new development in the international situation, the current UN General Assembly has the following new characteristics:

First, give an impetus to the trend of disarmament. The United States and the Soviet Union have agreed to dismantle and destroy all their intermediate range nuclear missiles and have started the progress of their

nuclear disarmament. This move is conducive to the relaxation of the world situation. However, as both sides do not trust each other and they are still increasing their military strength, the arms race between them has never ceased. There is just a change in the focus of their arms race, that is, from nuclear weapons to space weapons. As the United States and the Soviet Union, and NATO and the Warsaw Pact still possess large numbers of strategic nuclear weapons, tactical nuclear weapons, and conventional arms far exceeding the needs of defense, the danger of military conflict still exists. Therefore, the question of disarmament will still be an important topic of the current session. Many countries will strongly urge the United States and the Soviet Union to continue the progress of their disarmament.

Second, give prominence to the question of debts. External debts of the developing countries have further increased this year, the amount exceeding \$1,300 billion. The "Brady scheme" of the Western developed countries aimed at settling the debt crisis is but an utterly inadequate measure. As the debtor nations are heavily in debt, their economies have further deteriorated, and their foreign exchange earnings fall short of expenditure, their inflation has increased sharply, living standards have declined drastically, and society is characterized by turbulence and intranquility. Since economic deterioration in the debtor nations will directly affect the creditor nations, the UN secretary general recently pointed out that the question of debt will be the focus of discussions at the current session. This proposal has been well received by representatives. Although the main creditor nations have changed their negative attitude, it is unlikely that they will take practical measures to settle the question of debt.

Third, continue the discussion of the Cambodian issue. Because of Vietnam's stubborn attitude, no substantial progress had been made at the international conference on the Cambodian issue held recently in Paris. The current UN session will continue to discuss the Cambodian issue. Many countries will urge Vietnam to genuinely and totally withdraw all its troops from Cambodia under UN supervision so as to bring about an open, fair, and comprehensive political settlement of the Cambodian issue. However, Vietnam still lacks sincerity in settling the Cambodian issue. On the one hand, Vietnam has asserted that it will withdraw all its troops from Cambodia commencing late September; but on the other hand, Vietnam has rejected UN supervision. It attempts to remove the Cambodian issue from the agenda of the current UN session and intends to negate the legal status of Democratic Kampuchea in the United Nations with the method of "vacant seat." Vietnam's plot has aroused the vigilance of many countries. A new round of complicated struggle is likely to be launched at the current session.

Fourth, the question of ecological environment protection. Climatic changes, ecological balance, and environment protection, which are pressing problems of human concern and which have produced an impact on people's

living standards and economic development, will again become the focus of the current UN session. Obviously, the participants will continue to urge the developed countries to undertake more responsibilities and duties for environmental protection which mankind depends on to survive.

The relaxation of the current international situation is the result of the concerted efforts of all countries. Many developing countries including China have maintained developing a new international political order on the basis of the Five Principles of Peaceful Coexistence. Most of the countries will continue to make concerted efforts at the current session, strive for the further relaxation of the international situation, and call for dialogue between the North and South and international economic cooperation. These rational proposals will further contribute to the safeguarding of world peace and development.

Moreover, observers here believe that some Western countries may propose measures involving the internal affairs of sovereign states at the current session. If this is true, it will certainly give rise to a new round of struggle. People have taken note of and heightened their vigilance against this.

#### **Energy Vice Minister Hu Attends New York Meeting**

*OW2609083889 Beijing XINHUA in English  
0357 GMT 26 Sep 89*

[Text] Vienna, September 25 (XINHUA)—The International Atomic Energy Agency opened its 33rd annual general conference in the U.N. city here today.

Delegates from 98 countries among the 113 member states of the Energy Agency attended the meeting. Doctor Kunmo Chung from South Korea was elected chairman of this conference. The five-day meeting will approve the agency's 1988 annual report, the 1988 final accounts and the 1989 budget, with nuclear safety and international cooperation in radiation protection as the focal point.

Doctor Kunmo Chung said that only nuclear energy can meet the need for electricity after the coming 30 years from now which will double the present power output.

The agency's General Secretary Hans Blix said that the development of nuclear energy helps solve ever serious environment problems.

Chinese delegation leader and vice minister of energy, Hu Fuguo, at the conference briefed the development of Chinese nuclear power and reiterated China's consistent policy of "quality first, and safety first" in this regard.

### Shandong Trade Fair Attracts Foreign Traders

OW2109060689 Beijing XINHUA in English  
1606 GMT 20 Sep 89

[Text] Jinan, September 20 (XINHUA)—The scenic county of Penglai, in east China's Shandong Province, today attracted over 500 Chinese and foreign business people to its foreign trade fair, the first of its kind ever held in China.

More than 100 overseas business people from 15 countries and regions, including Japan, the United States, Switzerland, Singapore, Hong Kong, and Taiwan attended the opening ceremony of the 5-day fair.

The county, noted for its mirages, displayed more than 1,200 products and promoted over 100 projects in the fields of light industry, textiles, food, machinery, local produce, electronics, and other industries to Chinese and foreign business people.

Soon after the opening ceremony, a Japanese company signed agreements and a letter of intent worth 9 million yuan with a toy factory in the county to produce electronic toys.

Located in China's open coastal area, Penglai County receives 2 million Chinese and overseas visitors annually.

The county now has nearly 800 township enterprises and 14 Sino-foreign joint ventures. It sells 47 products on the world market.

The foreign trade fair is to further link the county with the outside world and accelerate the development of its export-oriented economy, according to County Magistrate Liu Bingmin.

### United States & Canada

#### Beijing Expects U.S. Approval of Satellite Export

HK2509022589 Hong Kong HONGKONG STANDARD  
(BUSINESS STANDARD) in English 25 Sep 89 p 1

[By Cheung Lai-kuen]

[Text] An export licence for an American-made communications satellite bought by a Hong Kong consortium is expected to be granted next month, despite a U.S. embargo on the shipment following the June 4 crack-down in Beijing.

The satellite has been blocked from export from the U.S. because it was to be shipped to China and launched by a Chinese Long March rocket for Hong Kong's Asia Satellite Telecommunications Ltd.

U.S. authorities suspended the export licence for the Asiasat satellite when President George Bush imposed an arms embargo on China after the Tiananmen incident on June 4. Terry Seddon, chief executive of Asiasat, said negotiations between the Chinese and the U.S. governments were still under way.

However, Mr Seddon said Asiasat was optimistic it would obtain the export licence.

He expected it would be granted by the U.S. by October, a date confirmed by well-placed sources in Beijing.

Mr Seddon will travel to Beijing this week for talks with Chinese aerospace authority officials and map out details of the launch, scheduled for next April.

Officially, China is saying little about the talks with the U.S. over the satellites. Professor Liu Jiyuan, vice-minister of China's Ministry of Aero-Space Industry, told THE HONGKONG STANDARD only that negotiations on the export licences for two satellites, including one for Asiasat, were still under way. The other satellite is destined for use over Australia.

Prof Liu refused to disclose the progress of negotiations, explaining that details could not be released as they were being held on an inter-government basis.

However, a senior executive of China International Trust and Investment Corp. CITIC, one of the three partners in Asiasat, said in an interview from Beijing that his group expected the export licence to be granted soon, despite the current embargo.

But the source added that no one in Beijing would disclose the release of the satellite officially at this time, as the progress of negotiations was currently considered too sensitive.

#### U.S. Company Rewards Workers With Free Tour

OW2509193789 Beijing XINHUA in English  
1536 GMT 25 Sep 89

[Text] Shanghai, September 25 (XINHUA)—Two Chinese workers and their families here will have a one-week free tour of the United States offered by the McDonnell Douglas Corporation for their excellent performance in co-producing MD-82 planes.

The two Chinese workers, riveter Ma Sai and quality inspector Yao Jinfu, are among the first 15 best Chinese workers rewarded by the McDonnell Douglas China Technical Services Inc. They will visit the McDonnell Douglas Headquarters in Long Beach, California and Los Angeles together with their wives and children, Joseph Benko, vice president of McDonnell Douglas China Technical Services announced.

The co-production project will turn out 25 MD-82 planes by 1991 and so far nine have been delivered.

The two sides are now exploring the feasibility of co-producing another 20 MD-82s after 1991.



**Dow Jones To Distribute Economic Information***HK2609121789 Beijing CEI Database in English  
26 Sep 89*

[Text] Beijing (CEI)—China Economic Information Service (CEIS) of XINHUA, the official news agency of China, and Dow Jones and Company, Inc. have signed an agreement under which Dow Jones will become the exclusive North American distributor of the Chinese business and financial newswire provided in English by CEIS.

The newswire is expected to be available through Dow Jones by October 1. Dow Jones will distribute the wire service over the telecommunications network used by the DOW JONES NEWS SERVICE, or the "Broad-tape". Eventually, information from the newswire will also be available through Dow Jones News/Retrieval, the interactive electronic information service published by Dow Jones.

"CHINA ECONOMIC INFORMATION is designed to meet the needs of all those who are interested in China's economy and trade with China, as well as the needs of the policy of opening to the outside world adhered to by the Chinese Government," said Sun Jianxia, managing editor of CEIS.

"We are delighted to have the opportunity to offer China Economic Information Service to our customers, especially at a time when China is emerging as a major player in the world economy," said William R. Clabby, vice president of Dow Jones' Information Services Group. CEI is serviced by XINHUA's more than 30 bureaus in China and a network of correspondents and stringers in economic departments of governmental offices throughout the country.

In addition to general business and financial news, CEI carries economic data issued regularly by the State Statistical Bureau of China. These statistics cover such areas as industry, agriculture, finance, commerce, import and export, employment, prices, energy and resources.

The service also reports on government policies, law and regulations concerning economy and business, tourism and investment climate as well as economic cooperation and trade with foreign countries.

CEI's choice of Dow Jones as the exclusive distributor of the CEI wire service in North America is due in part to Dow Jones' demonstration of its continuing commitment to meeting the demand for information resulting from the globalization of business and trade, Mr. Clabby said.

CEI is the leader in handling economic information in China. Its overseas subscribers now spread over Asia, West Europe, North America and Middle East.

**Soviet Union****Army Paper Analyzes Soviet Strategy Readjustment***HK2609100289 Beijing JIEFANGJUN BAO  
in Chinese 10 sep 89 p 4*

["Weekly Commentary" by Zhou Aiqun (0719 1947 5028): "'Change' and 'No Change' in the Readjustment of Soviet Military Strategy"]

[Text] Over the past few months, the Soviet military leaders and the U.S. military leaders have frequently held talks with each other. The Soviet and the U.S. battleships have also exchanged visits for the first time in many years. The Soviet leaders have announced that the Soviet Union has turned its military strategy from an "offensive strategy" into a "defensive strategy." Nonetheless, how should we view the recent readjustment of the Soviet military strategy against such a complicated background? There is no denying the fact that some noticeable changes have indeed taken place in the Soviet military strategy.

One of the noticeable changes is that the Soviet Union has changed its attitude toward a future world war and has thereby shifted the stress of its military strategy from making war preparations to preventing the outbreak of a world war. In Khrushchev's era, the Soviet Union once regarded nuclear missile war as the sole war pattern. In Brezhnev's era, the Soviet Union advocated fighting all types of wars and declared in no uncertain terms that the Soviet military strategy was "resolute, active, and offensive" in nature. It is not difficult for us to see that in both Khrushchev's era and Brezhnev's era, the Soviet military strategy was offensive in nature and stressed war preparations. Since Mikhail Gorbachev came to power, the Soviet Union has announced in explicit terms that it regards preventing the outbreak of a world war and resisting aggression as two major tasks of its military strategy and asserted that preventing the outbreak of a world war is a task of top priority for the Soviet Union and that the Soviet Union will do everything possible to prevent the outbreak of both a nuclear world war and a conventional world war. This latest change in the Soviet military strategy not only meets the Soviet propaganda needs but also shows that the Soviet Union will be more cautious in using its military force.

As regards army building, the Soviet Union has also shifted the stress of its military strategy from expanding the size of the Soviet armed forces to improving the quality. For many years in the past, in order to contend with the United States for global military superiority and maintain a military balance between the United States and itself, the Soviet Union had expanded its armed forces to a level far exceeding its national defense needs. After coming to power, Mikhail Gorbachev put forward the military principle of maintaining "reasonable military sufficiency." At the 19th CPSU National Congress held in June of 1988, the Soviet Union officially formulated the principle of carrying out quality army building.

The Soviet Union is currently taking a variety of measures to reduce the size of its armed forces and the number of weapons and military equipment in possession of its armed forces and improve the quality of its armed forces. The purpose of so doing is to turn the Soviet Union's originally over-expanded offensive armed forces into armed forces whose size corresponds with the Soviet Union's economic strength and international position as a superpower.

As regards its military structure, the Soviet Union has gradually shifted the stress of its military strategy from strengthening the offensive capability of its armed forces to strengthening its defensive capability. At present, while carrying out a partial reorganization of the Soviet army according to the needs of a defensive war, the Soviet Union is also making great efforts to readjust the tasks and development orientation of all the services of the Soviet armed forces. For instance, the Soviet strategic missile troops have begun shifting the stress of their strategy from war preparations to strategic nuclear deterrent preparations. Moreover, the size of the Soviet army and the number of offensive weapons in its possession are to be reduced, while the position of the Soviet air defense forces will be further strengthened.

As regards its military deployment, the Soviet Union has begun reducing its overseas military deployment. For many years, the Soviet Union had pursued an offensive global strategy, dispatched and stationed a large number of Soviet troops abroad, and deployed Soviet troops on the western, eastern, and southern fronts, thus assuming an offensive posture in the world. In recent years, the Soviet Union has begun withdrawing its troops from abroad and cutting down the size of the Soviet troops deployed along the Sino-Soviet border.

There is no denying the fact that the aforementioned changes in the Soviet military strategy represent some relatively important changes in the Soviet military strategy. Some of these changes even represent substantial changes in the Soviet military strategy. Nonetheless, as far as the present situation is concerned, the majority of these changes are changes concerning the Soviet military theories, most of which need to be further explored and implemented in practice. However, generally speaking, all the aforementioned changes are aimed at shifting the stress of the Soviet military strategy from an offensive military strategy to a defensive military strategy.

Nevertheless, people can still discover that behind these significant changes in the Soviet military strategy, there is still something which has not been changed or has only been slightly changed. This is because a comprehensive readjustment of the Soviet military strategy cannot be accomplished overnight. It will take time for the Soviet Union to comprehensively readjust its military strategy. Moreover, since some questions regarding the readjustment of the Soviet military strategy have a direct bearing on the fundamental interests of the Soviet Union, it is

impossible for the Soviet Union to make hasty decisions on this question without careful considerations.

So far, there has been no change in the basic strategic intention of the Soviet Union. The United States still remains the main opponent of the Soviet Union. The Soviet Union still attaches great strategic importance to Europe. Under the circumstances that the Soviet economic strength is still inferior to that of the United States, military strength still remains the basis and main resort for the Soviet Union to carry out its big-power politics. So far, the Soviet Union has only reversed the order of arms and butter and shifted the stress of its military strategy from arms to butter. Such a readjustment in the Soviet military strategy is aimed at accelerating its domestic economic development, strengthening its comprehensive national strength, maintaining its international position as a superpower, and strengthening its capability of "participating in the settlement of international issues."

So far, the Soviet Union still maintains a powerful offensive force. The Soviet Union has decided to cut down its troops by half a million and correspondingly reduce the number of weapons and military equipment of its troops. However, the number of Soviet troops that have been reduced accounts for only 10 percent of the total number. The offensive force maintained by the Soviet Union is still a formidable one in the world. According to an analysis, as regards weapons and military equipment, the new-type tanks withdrawn by the Soviet Union from its first front will be used to replace the old-type tanks deployed on its second and third fronts. Moreover, the Soviet Union has not reduced its three-in-one offensive nuclear force. The "low-standard nuclear balance" maintained by the Soviet Union still remains absolutely superior to all the countries in the world except the United States. In the meantime, the Soviet Armed Forces have not changed their forward offensive posture in the world.

At present, the Soviet Union is also making redoubled efforts to update its weapons and military equipment. The Soviet Union has always attached great importance to the development of sophisticated conventional weapons and is currently speeding up its research on space technology, new directional technology, and anti-satellite technology. Meanwhile, the Soviet Union is also actively deploying a new generation of strategic nuclear weapons. The Soviet leaders have made it clear that the Soviet Armed Forces should be capable of launching a destructive counterattack against the aggressor troops.

It should be pointed out that the readjustment of the Soviet military strategy is still at its initial stage. In addition, the readjustment of the Soviet military strategy will also be restricted by both the external factors, such as the United States, and the internal factors, such as the traditional Soviet military ideology. Under such circumstances, the readjustment of the Soviet military strategy will certainly not be smooth sailing. As to what will

happen to the readjustment of the Soviet military strategy, people still have to wait and see.

### Northeast Asia

#### DPRK Film Gala Marks Chinese National Day

OW2509195189 Beijing XINHUA in English  
1506 GMT 25 Sep 89

[Text] Pyongyang, September 25 (XINHUA)—The Committee for Foreign Cultural Relations of the Democratic People's Republic of Korea (DPRK) held a film reception here tonight to mark the 40th anniversary of the founding of the People's Republic of China on October 1.

About 1,000 people watched a Chinese film "Chiu Chin" depicting a national heroine who dedicated herself to overthrowing the Qing Dynasty (1616-1912).

Also present were O Mun-han, vice chairman of the DPRK Committee for Foreign Cultural Relations and Wen Yezhan, Chinese ambassador to the DPRK.

### Southeast Asia & Pacific

#### Economic, Trade Delegation To Visit Brunei

OW2509120489 Beijing XINHUA in English  
0905 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—A Chinese official economic and trade delegation will pay an official visit to Negara Brunei Darussalam between September 27 and 30 at the invitation of the Ministry of Industry and Primary Products Resources of Brunei. XINHUA learned here today.

The delegation will be led by Gu Yongjiang, assistant minister of foreign economic relations and trade.

Through the visit, the first of its kind, the Chinese side will exchange views with the Bruneian side on matters concerning establishing direct bilateral trade relations and conducting various forms of cooperation to mutual benefit.

### Near East & South Asia

#### Yang Shangkun Meets Pakistani Parliamentarians

OW2609081489 Beijing XINHUA in English  
0728 GMT 26 Sep 89

[Text] Beijing, September 26 (XINHUA)—Sino-Pakistan relations are "a model of friendship between countries of different social systems," Chinese President Yang Shangkun said today.

The friendship between China and Pakistan is "an all-weather friendship," Yang said while meeting with a parliamentary delegation from Pakistan led by National Assembly Speaker Mairaj Khalid.

The two countries have a traditional friendship on a profound basis and, with similar historical experiences, face the common task of safeguarding world peace and developing their national economies, Yang said.

Khalid, agreeing with Yang, said "no matter whether on sunny or rainy days, the two peoples will stand side by side as true friends."

Briefing the visitors on China's domestic situation, Yang said "earth-shaking changes have taken place since New China was founded 40 years ago."

"Despite some faults and mistakes," he added, "achievements are enormous. We have also been making active efforts to correct our errors."

China will not change its set policy of reform and opening, the president reiterated. "The reform will only go deeper and the open policy will open wider."

Khalid said reform and opening have "greatly enhanced China's status and image overseas." He described it as "encouraging" to hear that China will stick to the policy of reform and opening.

He said he felt "delighted and honored" to visit China on the occasion of its 40th birthday.

During the meeting, Yang expressed the belief that the group's visit will contribute to the enhancing of exchanges and cooperation between the two parliaments and the furthering of friendly cooperation between the two countries.

#### Qian Qichen Meets Tunisian Prime Minister

OW2609055489 Beijing XINHUA in English  
0344 GMT 26 Sep 89

[Text] Tunis, September 25 (XINHUA)—Tunisian Prime Minister Hedi Baccouche described as "very solid" the relations of friendship and cooperation between China and Tunisia when he met visiting Chinese Foreign Minister Qian Qichen here today.

According to Chinese sources, Tunisia appreciated the support the Chinese Government has given to the just cause of the African, Arab and Palestinian people.

Baccouche expressed his conviction that Qian's visit to Tunisia will give a new impetus to the Sino-Tunisian relations.

For his part, the Chinese foreign minister lauded Tunisia's important role in the Arab world, in the Arab Maghreb region, and in the creation of the Arab Maghreb Union in particular.

The two sides expressed their common desire to further boost relations in various fields between the two countries.

The Chinese foreign minister met separately in the afternoon Slabeddine Baly, president of the Tunisian National Assembly, and Abderrahim Zouari, secretary



general of the ruling Socialist Destour Party and discussed with them the means of reinforcing the cooperation between the parliaments and parties of the two countries.

#### **Nepalese Premier Addresses Sino-Nepalese Group**

*OW2609020089 Beijing XINHUA in English  
1830 GMT 25 Sep 89*

[Text] Katmandu, September 25 (XINHUA)—Nepalese Prime Minister Marich Man Singh Shrestha said this evening that a big power and a small land-locked country can develop relations on the basis of the Five Principles of Peaceful Coexistence.

He told a gathering which was coorganized by the Nepal-China Cultural Council and the Arniko (an ancient artisan [as received] symbolizing the Nepal-China friendship) Society in celebration of the 40th anniversary of the founding of the People's Republic of China.

"The Government and people of Nepal appreciate the support extended by the Chinese Government," he said.

On the occasion, Nepalese former Prime Minister Kirtinithi Bista lauded the achievements made by China over the past 40 years and the Nepal-China friendship, saying "there is no problem between the two countries."

"To maintain peace, big countries must follow the spirit of the Five-Principles of Peaceful Coexistence," he stressed.

Chinese Ambassador to Nepal Li Debiao said at the gathering China and Nepal have always been understanding and supporting each other.

Before the gathering, Prime Minister Shrestha opened a ceramics exhibition and a photograph show depicting China's progress over the past 4 decades.

### **Sub-Saharan Africa**

#### **Angolan Photo Exhibit Marks National Day**

*OW2609032489 Beijing XINHUA in English  
0311 GMT 26 Sep 89*

[Text] Luanda, September 25 (XINHUA)—A week-long Chinese picture exhibition drew its curtain here today.

The exhibition co-sponsored by the Chinese Embassy in Angola and Angola-Foreign Friendship Association was held in commemoration of the 40th anniversary of the founding of the People's Republic of China.

On the show were hundreds of pictures reflecting Chinese achievements over the past 40 years in industry, agriculture, defense, culture, education and science and technology as well as the daily life and nature of the people and nation.

Chairman of the Association Coelho Cruz spoke highly of the Chinese achievements hoping that the Angola-Chinese friendship will further develop.

#### **Peng Chong Meets Visiting Senegalese Journalist**

*OW2509120589 Beijing XINHUA in English  
0821 GMT 25 Sep 89*

[Text] Beijing, September 25 (XINHUA)—Peng Chong, vice-chairman of the Standing Committee of the Chinese National people's Congress, met here today with Amadou Dieng, director-general of the news agency of Senegal.

Dieng arrived here September 23 as guest of the XINHUA NEWS AGENCY.

### **West Europe**

#### **RENMIN RIBAO on France's 'Harmful' Steps**

*OW2509165389 Beijing XINHUA in English  
1611 GMT 25 Sep 89*

[Text] Beijing, September 25 (XINHUA)—Tuesday's PEOPLE'S DAILY carries an article entitled "To Where Does the French Government Want To Lead the Sino-French Relations." It reads as follows:

Yan Jiaqi, Wuer Kaixi and the like, criminals wanted by the security organs of the People's Republic of China for fanning and plotting the counter-revolutionary rebellion, fled abroad for fear of punishment and have wantonly carried on activities against the Chinese Government and the Chinese people. In the past few days, they ganged up in Paris and patched up the so-called "Federation for Democracy in China," frantically clamoring to overthrow the Chinese Government and obstinately setting themselves against the people. The acts of Yan Jiaqi and his like have certainly been denounced by the Chinese people and despised by a great number of Overseas Chinese and peoples in many countries who have knowledge and a sense of justice.

What deserves grave attention is the fact that these criminals, who have been agitating and plotting to subvert the Chinese Government, are openly supported by France. The French Government, turning a deaf ear to repeated representations of the Chinese Government, persisted in allowing them to hold a meeting to launch the "Federation for Democracy in China." In doing so, the French Government actually has violated the United Nations Charter and international laws, which stipulate that no country have the right to interfere, directly or indirectly, in the internal affairs of other countries; nor should its territory be used to carry out acts that could pose threats to the security of other countries. These violations constitute brutal interference in China's internal affairs and is never acceptable to the Chinese Government and the Chinese people.

The French Government, however, has the cheek to brag that its connivance and open support to the anti-Chinese Government activities of Yan Jiaqi and the like are for "safeguarding human rights." This cannot be justified. Who are Yan Jiaqi and the like? It is known to all that they have violated the Chinese laws by fanning the disturbance and the rebellion in Beijing and mustering a small number of people in a bid to topple the Chinese Government by force. It is for stirring the rebellion which inflicted heavy casualties and damage of property that they are wanted by the security organs in accordance with the Chinese laws.

These criminals, to escape the trial by the Chinese people, fled in panic to foreign countries and continued their counter-revolutionary activities. But the French Government, which has been boasting about strict observation of international laws and non-interference in other countries' affairs, praised the fugitive criminals as "human rights fighters," and provided them with stages for their continued acts against the Chinese Government. At the same time, it strenuously used its own values and legal concepts to justify itself and tried to impose them on China. People can't help believing that, under the pretext of upholding human rights, the very purpose of the French Government is to support the anti-Chinese Government activities.

It is apparant to everyone who is not biased that the Chinese Government is strong and stable. Our continued implementation of the general strategy of reform and opening to the outside world has won over whole-hearted support of the Chinese people. Any scheme to subvert the People's Republic will surely end up in a daydream; anyone who bets on a handful of national scums such as Yan Jiaqi is doomed to fail.

It should be pointed out seriously that the French Government, since the crackdown of the counter-revolutionary rebellion in Beijing by the Chinese Government, has unilaterally taken a series of steps harmful to the bilateral relations. In Western Europe, it was the French Government that first declared the freezing of bilateral high-level contacts and other "sanction" measures against China, then gave backing to the illegal activities by the so-called "Federation for Democracy in China" that were aimed to topple the Chinese Government. All these acts by the French Government have led to the deterioration of the Sino-French relations. Under such pernicious circumstances, a series of violent terrorist activities happened in the months past from attacking and harassing the Chinese overseas agencies to molesting or violating the human rights of the transit Chinese citizens in France. The Chinese Civil Aviation Paris office and the education counsellor's office in the Chinese Embassy in Paris were attacked and harassed. Chinese citizens with valid visas were spied on and maltreated more than once at Paris Airport. On September 20, just three days before the inaugural farce of the "Federation for Democracy in China", a car of the commercial counsellor's office of the Chinese Embassy in Paris was blasted. All these could hardly be viewed as

isolated and accidental. The Chinese Government has done nothing unfair to the French Government while the latter is going further in poisoning the bilateral relations. People cannot help asking: Where does the French Government want to lead the Sino-French relations to?

China is an independant and sovereign country, and will not allow any foreign government to violate its sovereignty and interfere in its internal affairs. We have always held that relations between countries should be dealt with in accordance with the Five Principles of Peaceful Coexistence. We do not export our socio-political system to other countries, and for the same reason, will not allow any country to impose on us its socio-political system, values and political ideas. We do hope that the French Government will, for the long-term interests of both the Chinese and French people, comply strictly with the international norms, and stop immediately any activities that interfere with Chinese internal affairs. Twenty-five years ago, general Charles de Gaulle, with foresight and sagacity, first opened the door to China, and laid the foundation stone for Sino-French friendship. The Chinese Government and the Chinese people have always prized this friendship. We do not want to see that the door would be closed again only because of the short-sightedness and recklessness of some people.

## East Europe

### Qiao Shi Meets With GDR Party-State Group

OW2509164289 Beijing XINHUA in English  
1524 GMT 25 Sep 89

[Text] Beijing, September 25 (XINHUA)—Senior officials of the Chinese Communist Party (CPC) and the Socialist Unity Party of Germany (SUPG) expressed here today satisfaction with the all-round growth of relations between the two parties and between the two countries.

Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, held talks here today with Egon Krenz, member of the Political Bureau and of the Secretariat of the SUPG Central Committee and vice-chairman of the Council of State of the German Democratic Republic (GDR).

Qiao said, "I am sure that through joint efforts the friendly relations between us can grow in a sustained, stable and all-round way."

He briefed the visitors on China's current political and economic situation.

China's political situation is stable, he said, adding that not long ago, China took resolute measures and won a decisive victory in quelling a counter-revolutionary rebellion in Beijing.

Qiao said, the quelling of the counter-revolutionary rebellion has received understanding and support from

many countries, especially socialist countries and Third World countries, that are firmly opposed to foreign countries' interference in China's internal affairs. "We are very grateful to the party and Government of the GDR for their full understanding of and support for our struggle to quell the counter-revolutionary rebellion."

The past 10 years have shown that China's basic policy of taking economic construction as the central task, upholding the four cardinal principles and persevering in reform and opening to the outside world is absolutely correct, Qiao said.

He noted that at present China has to concentrate its effort on party building and go all out to strengthen ideological and political work, as well as education in adhering to the four cardinal principles and opposing bourgeois liberalization, and carrying forward the party's fine tradition of maintaining close links with the masses and working hard.

China, Qiao went on, should also seriously deal with the corruption among the small number of party officials, do a good job of the building of the party leadership at various levels, enhance the quality of the party members and strengthen democratic centralism.

Speaking of international issues, Qiao noted that the overall international situation is tending toward relaxation, and the danger of a world war is receding. This will be conducive to the socialist countries in their peaceful construction, he said. Yet, he added, many problems remain to be settled in this respect.

He said China is seeing more and more clearly that while detente has emerged in East-West relations, some hostile forces in Western countries are making efforts to bring about "peaceful evolution" (from socialism to capitalism) in the socialist countries.

"Thus, we should not, in the slightest degree, relax our vigilance," Qiao said.

During the talks, both sides also exchanged views on other international issues of common concern and on strengthening the party and state relations between the two countries—on which they held identical views.

Krenz briefed Qiao on the current situation in the GDR and said the founding of the GDR was an important turning-point in the people's history of Germany and Europe.

He said the GDR will do its best to consolidate its socialism and the political power of the workers and peasants. The GDR will stick to the principle of combining the continuity of policies with reform, he added.

Krenz stressed that China's adherence to the socialist road will not only be conducive to the interests of the Chinese people, but also make great contributions to the world.

Krenz described China's adherence to the reform and opening policy as "applying Marxism to China's reality in a creative way."

Qiao said China fully understands the current conditions of the GDR. China supports the GDR party and Government in upholding socialism, safeguarding state sovereignty and fighting against any activities aimed at sabotaging socialism of the GDR.

Wolfgang Heyl, member of the SUPG Central Committee and deputy chairman of the Council of Ministers of the GDR, and other members of the delegation participated in the talks. Taking part in the talks on the Chinese side was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

After the talks, Qiao hosted a dinner for Krenz and his party. Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, was present at the dinner.



**Political & Social****Jiang Zemin, Others Hold News Conference 26 Sep**

*OW2609041089 Beijing Television Service  
in Mandarin 0157 GMT 26 Sep 89*

[News conference by Jiang Zemin, general secretary of the CPC Central Committee; Premier Li Peng; CPC Politburo members Qiao Shi, Song Ping, and Li Ruihuan; Vice Premier Yao Yilin; and Vice Foreign Affairs Minister Zhou Nan at the Great Hall of the People in Beijing; Chinese leaders' remarks and answers in Mandarin followed by passage-by-passage English translation by interpreter; reporters' questions in English unless indicated otherwise —live]

[Text] [Announcer] This is the first press conference given by the new leading group of the CPC Central Committee following the suppression of the counterrevolutionary rebellion in Beijing. [applause]

Attending the press conference are Jiang Zemin, Li Peng, Qiao Shi, Yao Yilin, Song Ping, and Li Ruihuan. Over 300 Chinese and foreign journalists are attending the press conference. Information officials of foreign embassies in China are present at the press conference as observers.

This is this station's first live, on-the-spot coverage of a press conference given by the leading group of the party Central Committee for Chinese and foreign journalists.

Zhou Nan, vice minister of foreign affairs, is chairing the press conference.

[Zhou Nan] Ladies, gentlemen, comrades: After the closing of the 4th Plenary Session of the 13th CPC Central Committee, many foreign correspondents have asked the Chinese Foreign Ministry that arrangements be made for them to interview General Secretary Jiang Zemin and other leaders of the CPC and China. Many Chinese correspondents have also expressed the same wish. Therefore, as we approach the 40th anniversary of the founding of the People's Republic of China, General Secretary Jiang Zemin and the other members of the CPC Central Committee Political Bureau Standing Committee are going to meet with both Chinese and foreign correspondents at this press conference today, and they will also answer your questions. Before you raise your questions, I will first give the floor to General Secretary Jiang Zemin to say a few words.

[Jiang Zemin] Ladies, gentlemen, comrades: A new leading group of the CPC Central Committee was elected at the 4th Plenary Session of the 13th CPC Central Committee. Recently, one correspondent after another has expressed the hope of interviewing us. Because we have been very busy, our desire to be interviewed has not been fulfilled until now. Today, on the eve of the 40th anniversary of the founding of the People's Republic of China, we are very glad to have this opportunity to meet with you. Present here today are Comrade Li Peng,

Comrade Qiao Shi, and Comrade Yao Yilin, with whom I think you are all quite familiar. Also present here today are other members of the Political Bureau Standing Committee, including Comrade Song Ping and Comrade Li Ruihuan. Now the other comrades from the Political Bureau Standing Committee and myself are ready to answer your questions.

[Reporter] I am a reporter from the Italian Television Company. Mr General Secretary, I want to ask a question which many Chinese, many Chinese students, are still asking themselves these days. In your opinion, could the Tiananmen tragedy have been avoided and how?

[Jiang] This gentleman seems familiar to us. We probably have met in Shanghai. First I would like to talk about the phrase you used just now, that is, the "Tiananmen tragedy." We do not consider it a tragedy. The Tiananmen incident was a counterrevolutionary rebellion to oppose our Communist Party's leadership and overthrow our socialist system.

Just as our Comrade Deng Xiaoping has put it, this counterrevolutionary rebellion which had evolved from the turmoil was determined by the general international climate and the domestic climate within China, and therefore it was unavoidable. I think that internationally speaking, there has always been a force which wants to turn a socialist country like China toward a path of peaceful evolution. At the same time, within China, there have been people who cling to their position of bourgeois liberalization who engaged in all kinds of conspiracies in an attempt to overthrow the existing government in China.

Particularly because a man like Comrade Zhao Ziyang, the former secretary general, emerged from within our party who supported turmoil and engaged in splittism, the problem was further complicated. As a result, we were deprived of the opportunity to more promptly put down this rebellion, I mean, turmoil. In spite of all this, facts have shown that ours is a great party, and we have the ability to rely on ourselves to put down this turmoil and check this counterrevolutionary rebellion, thereby winning a decisive victory.

[Reporter] I am from the Czechoslovak paper RUDE PRAVO. I would like to ask: Are there any changes in your strategy of political reform?

[Jiang Zemin] I think we have time and again made clear that this counterrevolutionary rebellion, which developed from student unrest and turmoil, will not change at all the principles and policies the party has implemented since the 3d Plenary Session of its 11th Central Committee. Therefore, for political structural reform and economic structural reform, there will be no change in our general strategic objectives and in our policies and principles.

[Female reporter speaking in Mandarin, followed by translation into English by interpreter] I am from the Central Television Station. I would like to ask the

general secretary this question: How will the Chinese Communist Party and the Chinese Government promote the democratization process on the basis of establishing and improving the legal system?

[Jiang Zemin] This question from this reporter reminds me that I was also a student. I attended a university in Shanghai. Before liberation, we also took part in the student movement. At that time, we also called for democracy, but this was for the purpose of overthrowing the old system and old rule. The CPC has always fought for democracy since its founding, and this goes back to the May 4th Movement. After liberation, especially since the 3d Plenary Session of the party's 11th Central Committee, we have made continuous efforts to strengthen the development of democracy of the legal system. However, I want to stress that in any country democracy and the legal system must coexist. Democracy must be guaranteed by certain laws. Therefore, we are making use of various channels, such as the National People's Congress, trade unions, and party organizations. All party members should forge close ties with the masses and reflect in a timely manner their voices and demands to the party Central Committee. We are exerting ourselves to solve problems that we are able to solve. For problems that are temporarily intractable, we will explain them to the people. In the future, we will step up our efforts to increase such channels.

[Reporter, speaking in Mandarin, followed by translation into English by interpreter] I am (Xing Jing Shang) from NHK. Premier Li, you have said that the CPC Central Committee and the government have to conduct a self-examination concerning the recent disturbances. Can you go into details about this?

[Li Peng] There are two different aspects of self-examination. One is our handling of the entire process of this event, and the other is that, although the international background and domestic climate of this event were the result of our inadequate efforts to combat bourgeois liberalization, it shows that our party and government have made some mistakes in the recent past, which have aroused complaints from the general public, and gotten so many people involved in the turmoil.

Therefore, after the turmoil and the counterrevolutionary rebellion, and after the formation of the new party Central Committee with Comrade Jiang Zemin as the core, efforts have been made to alleviate complaints among the people. Naturally our work has just begun, but we are determined to pursue it to the end.

Although we said that the June 4th disturbances were unavoidable, they did not have to be manifested in such a violent form every time. In handling the disturbances, because our former party secretary supported the turmoil and split the party, the situation was further complicated and eventually turned into a violent contradiction.

[Reporter] I am a reporter from THE NEW YORK TIMES. Mr General Secretary, some Chinese student dissidents abroad have said that 120,000 people have

been arrested or executed nationwide since the student unrest was crushed in early June. If that estimate is incorrect, in a spirit of greater openness, could you tell us what is the correct number of people arrested and executed? Besides, is it possible that those who favor nonviolent means, such as Wang Dan, Bao Tong, and Ren Wanting, would be executed or can you entirely rule out that possibility?

[Jiang] Our policy in dealing with this counterrevolutionary rebellion, which had evolved from a turmoil, has always been very clear; that is, we called for making a clear distinction between and correctly handling the two kinds of contradictions. Some people, I should say an overwhelming majority of people, got involved in the student unrest because they were disgruntled with corruption and other practical problems as mentioned by Comrade Li Peng just now. They took part in parades, demonstrations, and finally even in hunger strikes. I think we can understand the overwhelming majority of the students, and our policy is to try to unite and educate them. Recently I have said on many occasions that young people are our future and hope. We will take care of them enthusiastically but will place strict demands on them.

However, there is no denying the fact that some conspirators with ulterior motives were indeed trying to overthrow the leadership of the Communist Party and our existing Chinese Government, thereby violating the law. However, I believe that the relevant state departments, the judicial departments in particular, will deal with these people according to the law.

As to the question asked me by the correspondent just now, regarding the specific punishments to be meted out to a particular person, on this point I am sorry to say that we cannot substitute the party for the government, nor for the laws. Because the press has always wondered whether China is ruled by law or by people, I think we must follow the principle of rule by law.

[Male reporter speaking in Mandarin followed by translation into English by interpreter] I represent RENMIN RIBAO. I want to ask the central leaders to comment on whether the strategy for the economic development of the coastal areas, the contract system within enterprises, and the development of private enterprises and township enterprises will continue. Will economic retrenchment obstruct the process of reform and opening to the outside world? And what are the prospects for China's economic development?

[Yao Yilin] The policy of reform and openness is a basic national policy. We will continue to implement all the policies for reform and openness which were formulated before the 3d Plenary Session of the 13th CPC Central Committee, as well as all the rules and regulations drawn up by the CPC Central Committee, the State Council, and the National People's Congress. The purpose of the current economic retrenchment policy is to create a better environment and better conditions for our reform

and openness. During the process of this economic overhaul, all the reform and openness measures will continue to be improved and deepened. Naturally, under the premise that the policy of reform and openness will remain unchanged, we will make some necessary adjustments on certain specific policies and measures so that reform and openness can proceed steadier, better, and even faster. To ensure continual economic growth in the coastal regions, we will make great efforts to improve the investment environment in those regions. We will continue to welcome foreign entrepreneurs to come to China to operate Sino-foreign joint ventures, cooperative enterprises, and entirely foreign-owned enterprises. We will also encourage those regions to import raw materials from overseas and export finished manufactured goods to establish an export-oriented economy in those regions.

As for the contract system within enterprises, first of all, we should fully acknowledge its positive role to ensure the stability of our policies and the continuity of the contracts that have been signed. Second, we must sum up our experiences and continue to study measures for improving the contract system. As for private enterprises, we will continue to help them play a positive role in contributing to the national economy and the people's everyday lives and play their necessary and useful part in supporting the socialist economy. On the other hand, we will restrict their negative functions which can affect the national economy and the people's livelihood. We will resort to industrial and taxation policies to limit their reckless growth and provide them with better supervision and guidance. Township enterprises play an important part in China's national economy. Therefore the state will continue to assist these enterprises so that they can develop even more soundly.

[Male reporter, speaking in Mandarin] I am a reporter from TASS of the Soviet Union. General Secretary Jiang: As a result of the visit to China in May this year by General Secretary Gorbachev of the CPSU Central Committee, the relations between our two countries and between the CPSU and the CPC have been normalized. My question is: How do you assess the prospects for the development of state relations between the Soviet Union and China as well as the relations between our two parties?

[Jiang begins to answer without waiting for the translation of the question into English and is stopped by the interpreter]

[Jiang] I have to apologize for what happened just a moment ago. Well, everyone is liable to show inertia. Since the reporter raised his question in Chinese, I immediately answered it in Chinese.

Ah, I think the May visit to our country by Gorbachev, as you just mentioned in your question, symbolized a new beginning in the relations between our two parties. As a matter of fact, in the recent past, there have been

increased bilateral contacts in the economic, trade, science and technology, and cultural fields. Ah, I have to apologize for the fact that we were experiencing a student unrest when he visited here recently.

[Li Peng interposes] He didn't even have the opportunity to see the sights of Tiananmen Square.

[Jiang] Yes, I felt particularly sorry for the fact that even his wish to visit Tiananmen Square to present a wreath before the Monument to the People's Heroes was not realized. Afterward, Comrade Gorbachev visited Shanghai. Although the visit was very short—ah, I can say this myself because at that time I was still the secretary of the Shanghai Municipal CPC Committee—what I thought was that we should do our best to see that Comrade Gorbachev fulfills his one wish in Shanghai. He wanted to present a bouquet before the bronze statue of Pushkin in Shanghai. Despite the fact that the bronze statue of Pushkin in Shanghai only occupies a very small space, we eventually made it possible for Comrade Gorbachev to fulfill his wish. In addition to presenting the bouquet, he was also able to make a very brief speech there. Finally, when the time came for me to see him off at the airport, I asked Comrade Gorbachev: How do you feel about your visit? Are you satisfied? His answer to me was: He was satisfied [Jiang says the last phrase in Russian]. What he meant was it had been a good visit, and he was satisfied with it—satisfied. So, in my view, we are full of confidence that there is a very bright future for cooperation between our two countries and two parties under the guidance of the Five Principles of Peaceful Coexistence and the guidance of the four principles directing the relations between our two parties.

[Reporter] I am from the PRESS TRUST OF INDIA. I come from China's southern neighbor, a country with the second largest population in the world. How do you assess the development of recent events in the relations between China and India, and are you satisfied with the development of the relations between our two countries?

[Jiang] As you have mentioned, China and India are indeed both located in Asia, and between our two countries, we have a combined population of.... [Jiang turns left to Li Peng and asks] Is it 1.8 billion or 2 billion?

[Li] It now has a population of 800 [million].

[Jiang] Yes, it has 800 million and we have 1.1 billion. So we have nearly 2 billion people between us. Moreover, the past leaders of our two countries, our Premier Zhou and former Indian Prime Minister Nehru, initiated the Five Principles [of Peaceful Coexistence]. On this score, we can say that we orientals have made a very good contribution to the world. Last year, Prime Minister Rajiv Gandhi visited China. Then, soon afterwards, Comrade Wu Xueqian, our vice premier, visited India. Mutual visits by our leaders are very conducive to our mutual understanding. At the same time, in recent times, we have made many contacts in the economic, cultural,



and other fields. I myself am optimistic about the prospects for relations between our two countries.

[Reporter speaking in Mandarin, followed by translation into English by interpreter] I am a reporter of the XINHUA NEWS AGENCY. The efforts to ensure a clean and upright government and to crack down on corruption are matters of public concern. Recently, the party Central Committee and the State Council decided to accomplish seven major tasks. I want to know how the central leading comrades are setting the examples in this aspect. And what other measures will be taken in this connection? Thank you.

[Li Peng] The efforts to ensure a clean and upright government are of course a popular concern to the people throughout the country. After the formation of the new Standing Committee of the party Central Committee, seven major tasks were undertaken first. The crux of these seven major tasks is first of all that the leaders should start with themselves, and the second is that the measures must be practical.

Three of these seven major tasks have already been accomplished. The first is that the children of the members of the Political Bureau and of the personnel in the State Council have all withdrawn from the companies engaged in the field of commodity circulation. The second is that we have replaced our deluxe sedans imported in the past. And third, some special treatments for the leaders in food supply have all been cancelled. All these measures have been fulfilled.

As for screening and reorganizing companies, the party Central Committee and the State Council have already worked out specific and very detailed regulations. Of course, this is a very complicated task and takes quite a long time to accomplish. By checking up on firms, we do not intend to negate their role in promoting economic development. What we intend to do is merely slash those extraneous, chaotic, and poorly managed companies so that we can run the existing companies even more successfully.

Specific regulations have also been worked out to control the number of overseas visits by leading cadres. I want to point out that we are not opposed to leading cadres' overseas tours for the sake of conducting surveys, for official business, or for the purpose of exchange, because that is also dictated by the policy of opening to the outside world. We only want to cut the number of the unnecessary overseas trips.

We have also taken measures to cut duty-free quotas for those personnel who have gone abroad, and we have even removed their preferential treatment in this connection. Of course, some people are not in favor of these measures, but I believe the overwhelming majority of the people throughout China will welcome and support this move.

Another thing is that we have banned presenting gifts and entertaining guests at public expense in public

activities. In this respect, the State Council has already worked out specific regulations which will be made public soon. This is also a matter of concern to the public and our policy is paying off.

Now we have received some complaints from some large hotels that they are currently suffering from a sluggish season and that their total turnover is decreasing. This shows that in the past, many of these hotels thrived at public and state expense. As a result of the measures that we have taken, the prices of some high-grade foodstuffs have also gone down. I think these are all good signs.

[Reporter] Thank you. Mr General Secretary [as heard], I know of....

[Unidentified voice] Identify yourself, please.

[Reporter] I am a reporter from (ME-YE A-SI-SI SHU XIN XIAO XI BAO) of France. I know a female student who was on Tiananmen Square on the 3d of June. She was injured. A few days later she was arrested, kept in jail for a few weeks, questioned, then sent to Sichuan Province to a farm where she is producing bricks. In the first week of her stay in Sichuan she was raped three times by peasants. Do you think this kind of harsh treatment to students conforms with your project of understanding students, unifying them, and to understand people you call the future of your nation? Thank you.

[Jiang] First I want to say that I have never heard of the example you mentioned just now, and I cannot confirm whether what you have said is the truth. Here I want to briefly reiterate that our consistent policy toward the overwhelming majority of the students has always been one of trying to unite with them and educate them. As for those real criminals who have broken the laws of the state, they will be duly punished according to law.

Every nation has its own laws. However, in the recent past, I have heard many examples that resemble the fairy tales from the Arabian Nights. I can only express my regrets.

[Female reporter, speaking in Mandarin] I am (Chou Yu-ko), a reporter of Taiwan's LIEN HO PAO. Since this is a very important and rare occasion, I just want to ask one question about the unification between the two sides of the Taiwan Strait. But I need your understanding because there are several minor questions under the general question. First, is there a timetable for reunification between the two sides of the strait under your party's current policy? Second, the Taiwan authorities have said on many occasions that this is not the time to talk about reunification because of the big economic gap between the two sides. They hope that the issue of reunification should be discussed when the economic development between the two sides is about the same. What is your view, Premier Li and General Secretary Jiang? I beg your pardon because I have a third question: For many years Taiwan has refused to accept the proposal of one country, two systems. Does your party have

any other undisclosed plan that the two sides can talk about, for example, the organization of a coalition government, or the establishment of a confederation system? Finally, I want to ask a question on behalf of the people of Taiwan. That is, after the 4 June event, there is clearly a fear among Taiwan's general public about the possibility that the CPC will send troops to invade Taiwan. So can you give a guarantee here that you will absolutely not attack Taiwan by force? Thank you.

[Li Peng] I would like to answer this question raised by the Taiwan correspondent. Although her question has many side issues, they all belong to the general topic about the relations between Taiwan and the mainland, and so I will answer it. The general policy concerning national reunification remains unchanged because this policy is in line with the aspirations of all the Chinese people, including the people on Taiwan. Is there a timetable for the reunification with the return of Taiwan? No, there is not. This is because we are all realistic people. If both sides make concerted efforts toward this goal, reunification will be achieved faster; but if anyone moves toward the opposite direction, the time for reunification will take longer. As for the economic differences between Taiwan and the mainland, I admit that while such differences do exist, they should not be used as a reason to justify the division of our motherland. China's coastal areas and its hinterland also differ greatly economically, but this does not mean that coastal areas can be separated from China [laughing]. Hong Kong is also vastly different from Chinese provinces economically, but this does not mean that Hong Kong will not be returned to China in 1997. Taiwan is only a place with only 30,000 or so square km and some 20 million people. It is an indisputable fact that it is a part of our motherland. It is our hope that the great cause of national reunification can be achieved through peaceful means. However, we have told foreign visitors that it is entirely China's internal affair whether we use peaceful means or whether we will rule out the possibility of using force. The more realistic issue now is to establish postal, shipping, and commercial ties between Taiwan and the mainland so that people on both sides of the strait will have more opportunities to understand each other through contacts. Such ties are useful for expediting the reunification process.

[Male reporter, speaking in Mandarin] I am a reporter from BEIJING ZHOUBAO [BEIJING REVIEW]. My question is: How will the ongoing large-scale antipornography campaign in China affect its cultural exchanges with foreign countries?

[Li Ruihuan] I am ready to take this question. I think the reasons for China's efforts to carry out the antipornography campaign are more easily explained than for other questions. It goes without saying that we do make a distinction between what does and does not constitute pornography. Over the past few years, as we carried out the policy of reform and opening China to the outside world, because of many loopholes in our management, and especially because we have not been consistent

enough in combating bourgeois liberalization, pornography has been rampant. The existence of pornographic publications in China has poisoned the minds of many young people and teenagers, contaminated the atmosphere in the society, and seriously sabotaged and interfered with the public order. Recently, we adopted practical and resolute measures to carry out this antipornography campaign. Our measures have received support from the people from all social strata, and our policies are achieving good results.

The situation in China is different from that in other countries. So many countries hold different opinions about our policies and line. But to my knowledge, there are not many different views on our antipornography campaign within China. It is not practical to say that all people agree with our antipornography campaign, because many pornographic materials have been imported from other countries. So our antipornography campaign may have plugged this source of revenue for some people.

The first point is that we have won widespread popular support in our antipornography efforts. Second is that the situation is rather good, and that we have made considerable achievements. The third point is that this is an arduous task which can be accomplished only through long-term efforts.

[Male reporter, speaking in Mandarin] I am from CHINA DAILY. It has been reported that after National Day, the CPC Central Committee will hold its 5th Plenary Session of the 13th Party Central Committee. May I ask about the main agenda for that plenary session and what are the major issues to be solved at that session?

[Jiang] A few months ago, we held the 4th Plenary Session of the 13th Party Central Committee. So without a doubt, the next session will be the 5th Plenary Session of the 13th Party Central Committee. We have a plan to convene such a meeting, indeed. And during the next session, the central items will be to study the current tasks, and perhaps tasks for the next 2 or 3 years; study ways to promote our country's economic development; and study ways to carry out the improvements of the economic environment and the rectification of the economic order. However, we have not finally decided upon the exact timing of the Fifth Plenary Session.

[Male reporter] (Backman) from the German Radio. Mr Secretary General, can you expect changes in the leadership or chairmanship of the Military Affairs Commission of the Central Committee very soon? Thank you.

[Jiang] Lately I have read quite a lot of foreign news reports about this. It is not surprising to notice the huge amount of news about this point because as is known to all, Comrade Deng Xiaoping is a proletarian revolutionary of the older generation of our party. He is a time-tested and experienced revolutionary and has been the chief architect of China's economic development and reform and open program of the past decade. Comrade

Deng Xiaoping himself has expressed the hope on several occasions that our new Standing Committee will successfully shoulder its responsibilities. But because this matter is of grave importance, it still depends on the party and the state to decide upon the appropriate time when he can retire and on the person who might succeed him, because you know that the chairman of the Military Commission of the CPC Central Committee will be elected by the CPC Central Committee, while the chairman of the Military Commission of the state will be selected by the National People's Congress.

[Reporter, speaking in Mandarin] I am from Central Broadcasting. My question is: Some party members got involved in the recent turmoil and counterrevolutionary rebellion. Some had already been expelled from the party and others had withdrawn from the party. Can you give us a rough estimate of the number of those party members? Furthermore, as the party Central Committee has recently taken measures to combat corruption and screen and reorganize companies, some party members may also be found to be involved. Therefore, do you think that the party's image will be adversely affected, and what measures are planned by the party Central Committee to improve party building?

[Song Ping] I will answer this question. During the recent turmoil, or counterrevolutionary rebellion, there were indeed a very small number of party members who voluntarily withdrew from the party. But this number is very small in the state organs in Beijing. At the same time, many people applied for party membership during the turmoil. However, withdrawal from the party by the small number of party members has alerted our party to the need to strengthen party building, above all, to strengthen education among party members. Recently, the party Central Committee and other relevant departments held a series of meetings to discuss specific steps for strengthening party building. In carrying out education among party members we will, first of all, strengthen the basic education on Marxism. Second, we will carry out the education on implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee in light of the current situation. For reasons known to all, the work of the party, especially the education among party members, has been weakened over the recent years. Therefore, there is a great need to strengthen our work in this respect, especially to strengthen party building at the grassroots level. As long as the ideological education among all party members is strengthened, we are optimistic that the party's principles and policies can be better implemented.

[(Melcolm)] (Josh Melcolm) from Canadian Broadcasting Company. Many countries in the West are revolted by the pictures of executions in China relating to political protests. Are you willing to assure the West that nobody will be killed in the future for expressing political ideas contrary to the beliefs that you hold?

[Qiao Shi] I will take up this question. I want to be more accurate in replying to the question that you have just

asked. We punished a number of people after the recent turmoil and counterrevolutionary rebellion in Beijing. Among those we punished were a few serious criminals who had committed beating, looting, smashing, burning, and killing. Since these people had committed serious crimes, we sentenced them to death after an investigation of facts and through the normal legal process carried out by the courts. We have always adopted a prudent attitude toward intellectuals and young students. As General Secretary Jiang Zemin has put it just now, our policy is one of education. We do not mete out legal punishment at will. Your remark just now about the executions of those who took part in political protest does not square with the facts. Of course, for some of those who took part in the turmoil and counterrevolutionary rebellion, our judicial departments are still looking into their cases. I am sure that our judicial departments will make public the results of the investigation at an appropriate time. Incidentally, I want to point out that the remark made by another gentleman just now about the number of executions carried out by China is sheer nonsense. This is my answer.

[Zhou Nan] It is 1130 now, which is the originally scheduled time to end this news conference. However, the central leading comrades are willing to take three final questions.

[(Ye Zhongmin), speaking in Mandarin] I am Hong Kong TA KUNG PAO reporter (Ye Zhongmin). Recently, some Hong Kong compatriots expressed views and took action concerning the situation on the mainland at that time. As a result, they were charged with trying to turn Hong Kong into a base for opposing the CPC, and they received the advice that river water and well water should flow separately. My question is how, under the spirit and guarantee of one country, two systems, can Hong Kong compatriots express their views on major state affairs without being viewed as harboring vicious intentions?

[Jiang] To answer this question posed by the Hong Kong correspondent, I want to put it this way: Namely, for some time in the past some of the propaganda and news reports carried in foreign mass media did not tally with the facts nor the truth. As you know, there is a proverb to the effect that what is false will become true after it is repeated a thousand times. It is understandable that Hong Kong compatriots might have some misunderstanding owing to the biased propaganda and untruthful reporting of the foreign press.

I think that this should on no account adversely affect our approach toward the settlement of the Hong Kong question; that is, let two systems coexist in one country. I have mentioned to some gentlemen from Hong Kong the proverb you just referred to: Let river water and well water flow separately. I think it can appropriately express our policy of one country, two systems. There will be no change in this policy. Unquestionably, some foreign forces want to turn Hong Kong into a base for subverting China's socialist system and attacking the



Communist Party leadership. I believe that our Hong Kong compatriots will make a clear distinction on this point.

[Male reporter, speaking in Mandarin] I am from the Portuguese news agency. Where is former General Secretary Zhao Ziyang and what will happen to him?

[Jiang] According to the communique of the 4th Plenary Session of the 13th CPC Central Committee, Comrade Zhao Ziyang remains a member of the Communist Party. Our conclusion about Comrade Zhao Ziyang's mistakes, reached at the fourth plenary session, is that he committed the mistakes of supporting the turmoil and splitting the party. We are still investigating his case. Just now, the correspondent expressed concern about the life of Comrade Zhao Ziyang. It is the consistent policy of the CPC Central Committee that when a party member commits mistakes, his life should not be affected. He still leads a quite comfortable life. I would like to mention in passing that because he has a longer record of serving the party, I think he enjoys better treatment than I do.

[Li Peng, heard off camera] His salary is higher than yours.

[Jiang Zemin, speaking in English] Not only salary.

[Jiang Shuhui, speaking in Mandarin] Thank you for giving me the last opportunity. I am Jiang Shuhui, a reporter for Taiwan's CHUNG KUO SHIH PAO. My name is also Jiang, the same as the general secretary. I want to ask a question. General Secretary Jiang just said that in the future China will continue to proceed along the line of reform and opening to the outside world. But in the past, two party general secretaries stepped down because of the mistake of bourgeois liberalization. General Secretary Jiang, how will you continue the policy of reform and opening to the outside world without committing the same mistake as your two predecessors? My second question concerns what Deng Xiaoping said, that it is necessary to take the general secretary as the core and put an end to all controversies within the party within 2 years at the most. What are the major controversies within the CPC at present? The news conference has just touched on the 4 June event. General Secretary Jiang said that it was the 4 June rebellion, while Prime Minister Li Peng referred to it as the 4 June storm [feng bo]. What has the top leadership of the CPC finally determined as the nature of that event?

[Jiang] I am very, very glad to answer the question raised by this lady from Taiwan's CHUNG KUO SHIH PAO, who has the same family name as mine. I think that the two Taiwan reporters speak better putonghua [common speech of the Chinese language] than I do. So, Comrade Li Peng's answer to your question makes me think even more that our mainland and Taiwan Province should be reunified peacefully sooner, but the reunified country may have two systems. Comrade Li Peng has just answered the question that is of concern to the other Taiwan reporter with regard to whether or not force will be used to liberate Taiwan. I completely agree with

Comrade Li Peng. I want to emphasize here that our policy is one of peaceful reunification. However, we cannot make the commitment here that force will not be used. I think that this noncommitment is even more conducive to peace. These are my thoughts, induced by the good putonghua of you two. I will now answer your questions.

On reform and opening to the outside world, I think we will continue reform and opening to the outside world. There is no question about it. I need not elaborate on this policy because our newspapers and journals have recently discussed it in great detail. However, in the course of implementing the policy of reform and opening to the outside world, henceforth we will attach great importance to opposing bourgeois liberalization and upholding the four cardinal principles, and we will do so persistently. I do not think that the policy of reform and opening to the outside world and the four cardinal principles contradict each other. The two are consistent. Someone reminded me that my predecessors stepped down because they did not make sufficient efforts to combat bourgeois liberalization and that I should pay full attention to this problem. According to his logic, it seems that I must do so to keep my position as general secretary. I disagree. It is because our general principles, our socialist system, and the CPC leadership dictate that we must uphold the four cardinal principles. The 4th Plenary Session of the 13th CPC Central Committee pointed out that Comrade Zhao Ziyang made the major mistakes of splitting the party and supporting the turmoil. He served as the prime minister for several years and as the general secretary for more than a year. As was pointed out in the communique of the 4th Plenary Session of the 13th CPC Central Committee, he did some useful work. We are taking an attitude of seeking truth from facts. However, there were indeed some deviations in his implementation of policies.

Naturally, there is the need to sum up our experience of the past few years and to find out which of our works do not square with the correct line, principles, and policies of the CPC formulated by the 3d plenary session of the 13th party Central Committee, and this is for the purpose of ensuring better implementation of the correct policies. I think this has the same connotation as trying to affix the responsibility on someone.

Correspondent Jiang asked a question about whether the incident was a rebellion or a political disturbance as some have often referred, and she asked about possible differences among the party leadership on this question. I can tell you very affirmatively that the event was a counterrevolutionary rebellion. Although the nature of this event can be expressed in other ways, the nature is very clear. In a most scientific way, the term for that event should be counterrevolutionary rebellion, and there are no differences among the party leadership.

Correspondent Jiang is sitting just opposite me, and I have seen her raising her hand many times. Therefore, I

have given her the opportunity and have devoted much time to answering her questions.

[Zhou Nan] The press conference is now over. Thank you.

[Announcer] Dear viewers, our live, on-the-spot coverage now comes to an end. Thank you.

**Song Ping on Need To Strengthen Ideological Work**

*OW2509170689 Beijing XINHUA in English*  
*1620 GMT 25 Sep 89*

[Text] Beijing, September 25 (XINHUA)—The ideological and political work in enterprises must be enhanced and improved in practice to better meet the needs of China's development.

This remark was made here today at a national forum on ideological and political work in enterprises by Song Ping and Li Ruihuan, members of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee.

They said that the strengthening of the ideological and political work in enterprises is dictated by the socialist nature of enterprises and the position of the working class.

Song Ping said the party has persistently paid attention to ideological and political work for it is "the lifeline of all our work and our cherished heritage".

But, this work has been weakened in the past few years, Song Ping said adding that this big error should be well reviewed.

Fortunately, workers in the ideological and political sector have done a lot of work, he said, adding that the traditions of the ideological and political work haven't been abandoned, and the contingent of ideological and political workers not disbanded.

Moreover, they have summed up fresh experience in line with the development of the situation. This must be affirmed, he said.

Enterprises' ideological and political work, Song Ping said, must rely on the working class, foster the idea that the working class is the master, and better mobilize work enthusiasm and creativeness.

He said the present focus of the ideological and political work is to adhere to the four cardinal principles (referring to the socialist road, people's democratic dictatorship, Communist Party's leadership, and Marxism-Leninism-Mao Zedong Thought) and combat bourgeois liberalization.

In enterprises, Song Ping said, the factory director's responsibility system will be upheld. But at the same time, the work of party committees must be enhanced.

Li Ruihuan said there are still many problems to be solved while strengthening the ideological and political work in enterprises.

The forum was attended by more than 150 leaders and officials from more than 100 large enterprises nationwide, relevant departments under the State Council (China's highest governing body) and related provincial departments.

**'Rioter' Sentenced to Life Imprisonment in Xian**

*HK2609102089 Hong Kong MING PAO in Chinese*  
*26 Sep 89 p 2*

[Report: "'Rioter' Liu Gang Sentenced to Life Imprisonment"]

[Text] According to a report from Xian last weekend, the Xian People's Court sentenced five people to imprisonment after convicting them of "being rioters." Liu Gang, one of the five, was sentenced to life imprisonment and was permanently deprived of political rights. This man has exactly the same name as a Beijing student leader wanted by the Beijing authorities. Moreover, when announcing the sentences, the Xian court provided details about the identities and occupations of everyone except this Liu Gang, and not a single word about his identity, occupation, and age was mentioned.

Liu Gang, a physics graduate student of Beijing University, ranked third in the most wanted list of 21 student organization leaders issued by the Chinese authorities next to Wang Dan and Wuer Kaixi. The authorities concerned did not instantly make public the arrest of Wang Dan and Liu Gang.

Liu Gang, aged 28, coming from the Liaoyuan City, Jilin Province, began to organize a student league with Wuer Kaixi immediately after Hu Yaobang's death, and led the students to fight for the Chinese people's democracy and freedom. The league later became the Beijing College Student Autonomous Federation. Liu Gang seldom gave public speeches. Since 4 June, there has been no news about him until last weekend when it was rumored that a man with exactly the same name was sentenced by the Xian court.

**Wang Fang Addresses Public Security Meeting**

*OW1609060089 Beijing Domestic Service in Mandarin*  
*0930 GMT 8 Sep 89*

[Text] Speaking at a national discussion meeting that ended today, Wang Fang, state councillor and concurrently minister of public security, said that class struggle, which exists in Chinese society to a certain extent, will still exist for a long time and remain complicated in the future, and that, given the right climate, it might intensify again.

Wang Fang stressed the importance of building up the ranks of public security cadres and policemen. He said: A good job in building up the ranks of public security

workers is needed for defending the party and socialism and consolidating the people's democratic dictatorship. It will be a matter of great strategic significance for a long time to come.

The 5-day meeting reviewed and summed up the experience in political work of the Public Security Departments in the recent years. During this year's struggle to stop the turmoil and quell the counterrevolutionary rebellion, the public security cadres and police manifested a firm political stand, thereby proving without doubt that the ranks of public security cadres and police are a force that possesses fighting power and deserves the complete trust of the party and people. At the same time, we should not be blind to the fact that, in the past few years, a small number of cadres and police in some places have succumbed to the lure of money and materials and become corrupt and degenerate and even gone to the extent of violating the law and committing crimes. This has had a very bad effect on the public security organs.

For this reason, Wang Fang issued a call in the meeting. He said: It is necessary to first set a high standard for the leaders and place strict demands on them and make serious efforts to investigate and handle cases of violations of discipline and law. It is particularly important to investigate and handle major cases as soon as they are discovered. We must have the determination to eliminate corruption within the public security organs themselves. In addition, it is necessary to increase openness of public security work and perfect the supervision mechanism.

#### **Wan Li, Others Attend Minister's Funeral**

OW1709111389 Beijing Television Service  
in Mandarin 1000 GMT 16 Sep 89

[From the "National News Hookup" program]

[Excerpt] [Video opens with a close-up shot of former Minister of Forestry Luo Yuchuan lying in casket, then cuts to show wreaths with names of Jiang Zemin, Deng Xiaoping, Yang Shangkun, Li Peng, Chen Yun, Wan Li, and Li Xiannian displayed on both sides of his portrait]

Comrade Luo Yuchuan, former minister of forestry and an outstanding member of the Communist Party of China, long-tested loyal communist fighter, proletarian revolutionary, and pioneer and brilliant leader of New China's endeavor in forestry construction, died of illness in Beijing on 3 September 1989 after failing to respond to medical treatment. He was 80 years old.

A ceremony was held at the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries to pay last respects to the late comrade. Wan Li, Li Xiannian, Yao Yilin, Song Ping, Wang Zhen, and Tian Jiyun went to the auditorium to pay their last respects. [Video shows Wan Li, Li Xiannian, Yao Yilin, Song Ping, Wang Zhen, and Tian Jiyun either bowing toward the casket or shaking hands with his family members] [passage omitted]

#### **Leaders Attend Closing of National Junior Games**

SK1709065189 Shenyang Liaoning Provincial Service  
in Mandarin 0930 GMT 16 Sep 89

[Excerpts] The closing ceremony for the PRC second junior games was held ceremoniously at Liaoning Gymnasium at 1400 today [16 September]. [passage omitted]

Wang Wenyuan, leader of the Liaoning sports delegation and provincial vice governor, presided over the closing ceremony. He first introduced the leading comrades present at the closing ceremony. [Begin Wang recording] Comrades, the closing ceremony for the PRC second junior games will soon begin. Present at the closing ceremony are Comrade Song Renqiong, vice chairman of the Central Advisory Commission; [applause] responsible comrades from relevant state ministries and commissions; responsible comrades from the Central Committee of the Communist Youth League, the General Political Department of the Liberation Army, the national [words indistinct] and the China Olympic Committee; leaders of various delegations; principal responsible comrades of the provincial and Shenyang City party committees, advisory commissions, discipline inspection commissions, people's congresses, governments, and committees of the Chinese People's Political Consultative Conference; responsible comrades from the Shenyang military region; and responsible comrades from the air force of the Shenyang military region, and the Liaoning Provincial Military District. Let us extend our warm welcome to them. [applause] The closing ceremony for the PRC second junior games now opens. [applause] Please stand up for the playing of the national anthem. [national anthem] Comrade Song Renqiong, vice chairman of the Central Advisory Commission, will now present awards to the athletes who broke records. [music] [end recording] [passage omitted]

Wu Shaozu, Quan Shuren, Li Changchun, Rong Gaotang, Xu Yinsheng, and other leading comrades also presented awards to prize-winning athletes and sports teams. [passage omitted]

#### **Li Ruihuan Article Stresses Propaganda Work**

HK2409070289 Beijing JINGJI CANKAO in Chinese  
3 Sep 89 pp 1, 2

[Article by Li Ruihuan  
: "Pressing Tasks in Propaganda and Ideological Work at Present"—originally carried in issue No 9, 1989 of SIXIANG ZHENGZHI GONGZUO YANJIU (Studies in Ideological and Political Work)]

[Text]

#### **1. Grasp the Favorable Opportunity at Present To Make Propaganda Work Come up**

Comrade Zhao Ziyang in recent years treated our party with the attitude of bourgeois liberalization; consequently, the party's entire work has been gravely weakened and a crisis has surfaced in the party's propaganda



work. In many places, the propaganda contingent was disbanded, the front was lost, and thinking was confused. Facing such a condition, propaganda cadres have been resentful and very much worried, and a sense of repression characterized by "unwilling to stop, but being unable to do anything" was universal. On the other hand, they have been working cautiously and conscientiously in accordance with the party's correct line under very difficult conditions, especially in taking a firm and clear-cut stand, and fought on the forefront day and night in halting the turmoil and in quelling the rebellion in order to safeguard the interests of the party and the people.

In the wake of pacifying the counterrevolutionary rebellion, the propaganda and ideological fronts have faced a complicated situation, arduous tasks, and grave difficulties. At present, people inside and outside the party are all meditating in depth, and there really are many knotty problems in their minds. Therefore, it is necessary to take a firm grasp in doing some things in the political and economic areas to make the people happy and content, while we should conduct voluminous in-depth ideological and educational work in a meticulous way to help people clarify the facts, to discern right from wrong, to have a clear understanding of theory, and to smooth out sentiments in order to unify our thinking from perplexity, to brace ourselves up, and to rally our forces. The party's propaganda work should closely center around, and render service to, the party's key work. Our party should continue to adhere to the strategy for development characterized by a "trilogy" and the basic line and principle of "one center, two basic points" to continue to push forward socialist modernization. The pressing task for the propaganda and ideological fronts at present is to rectify and thoroughly overhaul the ideological and theoretical issues that have been confused by bourgeois liberalization in order to provide a sound climate for public opinion and scientific theoretical support for reform and opening up to the outside world, improvement and rectification, economic construction, party building, the building of spiritual civilization as well as democracy and the legal system. Viewing the major international climate, we find that socialism and Marxism are facing a grave challenge from the entire imperialist Western world today. From Dulles' strategy of "peaceful evolution" in the 1950s to the U.S. leader in the late 1980s, both want to bear "witness to the end of the last chapter of the experiment in communism." The basic policy and goal of international monopoly capital to destroy the socialist political and economic systems that came into being since the October Revolution has never changed, but has grown all the more intense with an overbearing offensive. The CPC has played the role of being the mainstay in fighting against this adverse current in the world. The party's propaganda work should see its historical duty of adhering to reform and opening up to the world while countering infiltration and evolution from the plane of either socialism overwhelming capitalism or the other way around in the international arena.

Now is a very favorable time to make propaganda work come up. The propaganda and ideological fronts are facing arduous tasks; however, favorable conditions to fulfill these tasks are many. First, the 4th Plenary Session of the 13th CPC Central Committee has resolved the case of Comrade Zhao Ziyang in organization, and has swept away the greatest obstacle to strengthening the party's propaganda work. Many things that we wanted to do but could not be done and would never be accomplished can be done and accomplished today. Second, the cadres and masses have drawn a lesson paid for with blood and have come to see deeply the extreme importance and necessity of adhering to the four cardinal principles and opposing bourgeois liberalization. Objectively, there are many negative teaching examples for education in this area today; subjectively, people have consciously demanded such education. Third, the erroneous guidance in public opinion in the recent turmoil has resulted in extremely great and bad effects. Leadership at all levels has come to see better the extremely important place of propaganda work in our party and country, and that we must attach importance to and strengthen the propaganda and ideological front if we want to safeguard the political situation of stability and unity and build socialism with Chinese characteristics. Such correct and strong public opinion is precisely the favorable condition for us to improve propaganda work. And fourth, the recent storm has also been a test of our propaganda work itself. So long as we soberly sum up the past and ponder the future, it is possible for us to turn experiences and lessons into precious wealth for continuous progress, while our contingent will become all the more mature and stronger. Leadership at all levels and all cadres on the propaganda and ideological fronts should form a clearer picture of the situation, brace themselves up, grasp the opportunity, take advantage of the momentum, and work hard to do a good job in the party's propaganda work.

## **2. Do a Few Substantial Things To Strengthen Ideological and Political Work**

Back in 1983, Comrade Deng Xiaoping pointed out: "The entire work on the ideological front needs to be strengthened. We should solemnly place this issue before the whole party, and put it on the agenda of the Central Committee and party committees at all levels." For some time past, he has on several occasions stressed the strengthening of ideological and political work, and pointed out that the greatest mistake over the past 10 years was the weakening of ideological and political work. The recent turmoil and rebellion have fully evidenced the correctness of Comrade Xiaoping's view. At present, the task for ideological and political work is to adopt down-to-earth and powerful measures to study and propagate the spirit of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Xiaoping's important speeches, on which basis to unite the thinking of the whole party and people throughout the country. It is necessary to conduct education in adhering to the four cardinal principles and the two basic points, namely,

reform and opening up to the outside world. One of the two basic points is the base for building the nation, and the other is the road to making the nation rich. Both are equally indispensable and deserve equal attention. In view of the lesson of the inconsistency in adhering to the four cardinal principles over a fairly long period of time, the weakness and lack of thoroughness in opposing bourgeois liberalization, it is primarily necessary to oppose bourgeois liberalization with a clear-cut stand at present, and to magnify the positive voice for the four cardinal principles. Regarding the four cardinal principles, of course "we should not fill the new bottle with old wine," but "provide new and fully persuasive demonstrations based on fresh and rich facts" in accordance with Comrade Xiaoping's view.

Ideological and political work calls for improvement, but the first question is whether we want it or not. Zhao Ziyang proposed "transformation" of ideological and political work under the pretext of "adaptability"; in actuality, he negated the fine tradition of the party's ideological and political work, and tried to do away with the work itself. In order to rapidly change the weakness in ideological and political work, it is imperative to take a firm grasp of the work, grasping and doing practical work at that.

First, we should organize forces to write a number of treatises, books, readers, and textbooks on adhering to the four cardinal principles and opposing bourgeois liberalization. That was first proposed by Comrade Deng Xiaoping in March 1979. Now 10 years have elapsed, but this plan has not been well implemented. It is hoped that the Central Committee Propaganda Department will take the lead, organize forces as quickly as possible, determine the topics, and "write a number of substantial treatises, books, readers, and textbooks with new contents, ideas and language."

Second, it is imperative to create necessary conditions for the grass roots to strengthen ideological and political work. The grass roots, especially large and medium-type enterprises, are the foundation of society as well as the key to ideological and political work. The place and role of enterprise party cells should be made explicit. The comrades in the CPC Central Committee Political Bureau Standing Committee unanimously believe that enterprise party cells must regard ideological and political work as their central task and primary duty, and the party committee secretary should devote most of his energy to grasping ideological and political work. This will also be favorable to the enterprise party organization to better play the role of guaranteeing and supervising under the condition of implementing the system of overall leadership by the factory director. Doing ideological and political work is the party's fine tradition; party organizations at all levels have whole-ranging successful experiences behind them. It is necessary to stabilize and substantiate the contingent of cadres engaged in political work at grass roots and enterprises. The enterprise may work out an establishment of specialized cadres in ideological and political work in the proportion not

exceeding 1 to 100 workers and staff members. In places and units where the number of political workers has been gravely reduced, they should be rapidly restored. A number of rather fine comrades should be transferred to the contingent of political workers in a planned way. Ideological and political work is a branch of science. The pursuit of such work calls for specialized knowledge. Like other professional cadres, professional titles of cadres engaged in political work should also be assessed. The Central Committee has already approved of such practice; relevant departments should take a firm grasp in formulating the specific plan for assessment.

Third, there must be a thorough eradication of reactionary and pornographic publications, audio tapes, and video tapes. At present, reactionary books and journals propagating bourgeois liberalization, and vulgar books and journals as well as audio and video tapes spreading obscenity, violence, murder, feudalism, and superstition have flooded the market despite orders for their banning. This has resulted in grave spiritual pollution, poisoning people's souls, and corrupting the younger generation. It is necessary to thoroughly weed out and rectify the book market and the audio and video tape markets. When such "spiritual opium" is discovered, it should be firmly confiscated and destroyed, while the publishing and wholesale units should be tracked down, investigated, and the responsibility of their leadership affixed. They should be heavily fined and punished according to party and government disciplines, and their legal responsibility affixed. It is necessary to adopt firm measures to deal with the situation by weeding out and rectifying excessive and superfluous newspapers, journals, and publishing houses in a thorough way. All papers and journals with grave mistakes in political orientation or vulgar contents should be axed; while publishing houses which are superfluous and not up to standards should firmly be merged. Regarding the "crackdown on pornography," the unanimous view of the Central Committee Political Bureau Standing Committee is to be resolute and to exert great efforts to grasp the issue with results, and no leniency should be shown. Provincial, regional and municipal party committees should be responsible for this work, with their leading members personally taking charge. Specialized bodies should be organized in coordination with all relevant departments to focus on the crackdown on pornography in a big way over a period of time.

Fourth, the news front must be strict with the party's discipline regarding propaganda. The document, "On Several Criteria for Inner-Party Political Life" has explicitly stipulated: "Unconditionally, the party's press must propagate the party's line, principle, and policies and political views"; party members "should by no means publish speeches counter to central decisions in public propaganda of the press and radio and television broadcasts; nor should they spread views counter to the party's line, principles, policies, and resolutions. This is the party discipline." The news circles should unfold the struggle to oppose bourgeois liberalization in depth.

They should especially reveal the hypocrisy and reactionary nature of bourgeois press freedom, and do a good job in resolving the unanimity between party spirit and affinity with the people and basically rectify the political orientation of propaganda in the press. Regarding an individual's understanding, he may have different views, and he is allowed some time to study and change his views, but in news and propaganda, he must strictly maintain unanimity with the Central Committee; by no means should he counter the Central Committee by taking advantage of the propaganda front on which he is working. Of course, we should work hard to study how to make the press adhere to the four cardinal principles and to oppose bourgeois liberalization, while business is dealt with in accordance with the law inherent in journalism, so that the press and propaganda may fall in line with the party's principles and policies and the will of the people. An issue of our great concern is that the repudiation of bourgeois liberalization should by no means be conducted in a superficial way, while a lively atmosphere in news coverage must be maintained. Its contents should be substantial, with a definite purpose in view, but the forms must be varied and interesting.

### 3. Do a Good Job in Organizing the Study of Marxist Theory

Marxism-Leninism and Mao Zedong Thought are the theoretical basis for guiding our thinking and actions in all items of work. Those pursuing bourgeois liberalization have focused their attacks on the theory of Marxism, spread the "view that Marxism is outmoded," and played down the role of Marxism, saying that it is just one of a hundred schools of thought, with the purpose of negating the Marxist guiding role and shaking our theoretical foundation. Lenin said, without a revolutionary theory, there would not be a staunch socialist political party, nor would there be genuine solidarity among socialists. Much of the confusion in social and economic life has reflected the confusion in thinking, which, in the final analysis, is theoretical confusion, and the consequence of weakening, doubting, and even deviating from Marxism. At present, an important political task facing the whole party is precisely to strengthen the study, propaganda, and research on Marxist theory, to clarify the mist in theory, and to unify and deepen people's ideological understanding.

Marxism is a developing science. "Marx believed that the entire value of his theory lay in the fact that this theory is critical and revolutionary in its nature." The changing movement of the objective world will never come to an end, and in the course of their practice, neither will people's understanding of the truth ever come to an end. Theory is derived from practice and guides practice, while theory is, in turn, tested and developed in practice. The combination of theory and practice is the requirement of Marxism itself, and where the vitality of Marxism lies. When we talk of developing Marxism, it is precisely the application of Marxism, the powerful spiritual weapon to understand and to transform the world by continuously linking to the changing

reality to seek solutions to new problems. In a certain sense, combination means development, with the results of combination elevated to rational knowledge through summation, generalization, and extraction. Such a process is Marxist development. Developing Marxism and adhering to it is one. We should never allow any deviation from Marxism under the pretext of "developing" it. Some people have not read much of the works of Marx and Lenin, and fail to grasp the essentials of Marxism-Leninism, but they have attempted to negate Marxism with some bourgeois theories from the West. That will only expose their arrogance and ignorance.

The key to studying Marxist theory at present is the study of philosophy. Comrade Chen Yun said: To study well philosophy will benefit one for a lifetime. Marxist philosophy is the most scientific and complete world outlook and methodology of mankind to date, and the "greatest apparatus for knowledge." The mastery of Marxist philosophy will enable us to grasp the fundamentals in complicated contradictions as well as the orientation in the ever-changing and unpredictable contradictions, to find the basic approaches to the solution of various difficulties, and to strengthen the principle, systematism, forecasting, and creativity in our work. Here, we must stress that leading cadres at all levels should earnestly study the mass viewpoint and the mass line in Marxist theory. "The basic principle in Marxism-Leninism is to enable the masses to see their own interests, and to unite and fight for them." Cadres at all levels should deeply see that the people are the subjective aspect in practice and knowledge, the motive force in creating history, the masters of the socialist country, and that serving the people heart and soul is the party's basic purport. They should continuously heighten their consciousness of serving the people and relying on the people in everything.

A list of essential books on Marxism-Leninism and Mao Zedong Thought should be drawn up to suit the needs of cadres and masses at various levels. Cadres' study system should be set up and made complete and perfect and the time for study should be stipulated. The method of training in rotation should be adopted so that cadres at all levels, especially intermediate and senior cadres, may have a chance to study Marxism-Leninism and Mao Zedong Thought systematically. The acquirement of Marxist theoretical cultivation should be regarded as a sign of cadres' being revolutionary, and a criterion for checking in cadres' selection and appointment. It is imperative to unfold theoretical research in Marxist theory, with a number of topics worked out promptly. The research will be conducted with both central and local efforts. We must do our best to present some results with rather high standards in a year or two. It is hoped that leading comrades at all levels, especially comrades on the propaganda and ideological fronts, will plunge into the study of Marxist theory with great enthusiasm and will power. In this way, I believe, our propaganda work and work in all areas will certainly be hopeful and greatly improved.



#### 4. Strengthen the Ideological and Organizational Building of the Propaganda Contingent

It is imperative to build a grand contingent of Marxist propaganda, including theory, the press, literature and art, publications, and political work cadres at all levels. The party has established such a contingent over the years. Among them are old comrades who early joined the revolutionary ranks, and also middle-aged and young comrades who have matured since the founding of the PRC. They have distinguished themselves by their theoretical excellence and made positive contributions in various stages of the Chinese revolution and construction. Generally speaking, our propaganda contingent is fine.

Some progress and accomplishments have been scored on the propaganda and ideological fronts in recent years, and they should be ascertained. However, we must also see the existing problems, and our propaganda contingent has failed to meet the needs of the situation and our tasks in both quantity and quality. Rampant bourgeois liberalization in theoretical circles, the press, literary and art circles, and publication circles in recent years has had very bad effects. In the recent turmoil, some people have wavered in their stand, and a handful of people who have long stubbornly adhered to bourgeois liberalization became behind-the-scenes plotters and organizers of the turmoil and rebellion. Therefore, it is primarily necessary to exert great efforts to do a good job in the ideological and organizational rectification of the propaganda contingent. In accordance with the central spirit, all plotters, organizers, and behind-the-scenes conductors of the recent turmoil and rebellion, ring-leaders and backbone elements of illegitimate organizations, and those who have committed heinous crimes of beating, smashing, looting, torching, and killing should all be rounded up, with no leniency shown to them; they should all be uprooted, with no hidden danger left behind. At the same time, it is necessary to strengthen and to readjust the leading bodies of some departments and units in the ideological area.

Comrade Mao Zedong pointed out that to give play to all positive factors and to change negative factors into positive ones to build our socialist country together is our basic principle. The conditions of the overwhelming majority of people are the grounds for us to formulate policies, while reliance on the overwhelming majority of the people is the purpose and guarantee for implementing policies. In the struggle of weeding out at present, it is imperative to strictly implement the party's policies, to strictly differentiate contradictions of the two categories, and to earnestly resolve the issue of uniting the majority. This is the key to a thorough success of the struggle of weeding out. We must see that the root cause of the recent turmoil and rebellion lies with Comrade Zhou Ziyang; they are the evil consequences of his long-term shielding and support of bourgeois liberalization. Some people were involved in the turmoil because they did not know the truth before Comrade Zhao Ziyang's problems were brought to light. Therefore,

education is the chief solution for those people who had been affected by bourgeois liberalization and made general speeches in favor of bourgeois liberalization, and those who participated in demonstrations, sit-ins, and hunger strikes to express their support. It is necessary to guide them in studying the spirit of the 4th Plenary Session of the 13th Central Committee and Comrade Deng Xiaoping's important speeches, and they should be relieved as quickly as possible on the basis of deepening their understanding. Uniting the majority is the party's consistent basic policy. We believe that leadership at all levels will certainly start from the interests of the party and the people, and from the overall and long-term interests to do a good job in implementing this policy. It is imperative for us to unite the cadres and intellectuals on the propaganda and ideological fronts to the maximum under the banners of socialism and patriotism, and to strive for building socialism with Chinese characteristics.

Propaganda departments should discover talented people and strengthen and enlarge their contingent through struggle and practice. It is necessary to promote to leading posts those comrades who are in utter unanimity with the Central Committee and who are capable of leadership. Attention should also be paid to transferring some comrades from other departments who are strong in politics, with certain theoretical standards and professional efficiency, to augment propaganda organs. It is necessary to take a firm grasp of the cultivation of propaganda cadres and professional workers, and to create chances for them to study and to temper themselves, so that they may become mature as quickly as possible.

#### Article Justifies Continued Martial Law

OW1909202089 Beijing *BEIJING REVIEW* in English  
No 38, 18-24 Sep 89 p 4

[Article by Yao Jinguo: "A Few Words About Martial Law"—*BEIJING REVIEW* headline]

[Text] After the June tumult subsided and the truth of events became known, China's political situation became more stable day by day. Business people and tourists, for example, are coming in greater numbers, and restrictions imposed by some foreign countries on their citizens wishing to visit China have been rescinded. Some foreigners, however, still have misgivings about Beijing's martial law, believing that the city remains unstable. This is a misunderstanding stemming from a lack of the true situation in Beijing.

Chinese Government's enforcement of martial law in parts of the city was a measure necessary for quelling the turmoil and anti-government revolt that broke out in Beijing between April and June. In Western countries, "martial law" is often linked up with "military control" and "curfew," but in China, they have entirely different meanings. In 1949, shortly after the founding of New

China, the political, economic, and public security activities of some cities were put under military control because local government had not yet been or was just established. During the "Cultural Revolution," military control was also enforced because the government became paralytic. This time the implementation of martial law in Beijing, however, is different from those earlier events. The martial law enforcement troops' main task is to help the police and public security forces maintain normal social order; they do not participate in any other business of local government.

Beijing's martial law decree is still in effect, but the number of sentries has been substantially reduced. Except at major intersections and in key government departments, soldiers in two or three are seen on duty, people almost can't find any difference in Beijing from what it was like before. People go to work, shopping and to recreational centres as usual. Foreign tourists can also freely and safely visit places. This is an evident fact.

Some may ask, however, that if Beijing life is so normal, why is there a need for troops to remain?

The reason is that though we have won decisive victory, a handful of rioters will not take their defeat lying down, and they will possibly carry out disruptive activities. To maintain the capital's stability, guarantee the citizen's safety of lives and property and ensure normal government operation, it is necessary for a small number of troops to continue enforcing martial law.

Continuing the martial law also helps guarantee that foreign friends do business, set up enterprises in China and conduct economic and technical exchanges, as well as facilitates their visits in the country. Since the martial law took effect, no foreign businessman or tourist has been injured. A convincing proof of this is that foreign embassies and commercial offices have performed their duties safely.

Still, due to the distorted propaganda and rumours spread by certain Western mass media, many people are unclear and have misgivings about or misunderstand China's political situation. However, there's a Chinese saying, "It's better to see once than to hear a hundred times." Since the beginning of August, many visiting foreigners have discovered the city, though still under martial law, is operating normally. Last month, for example, 100 ordinary tourists from the United States, came for a visit on "See the Tiananmen Square With Your Own Eyes." They saw a completely different situation from what they had imagined while in the States. The present political situation in Beijing is not as frightful as described and played up by certain Western mass media.

The imposition of martial law will continue in parts of Beijing for a time. However, Yuan Mu, State Council spokesman, said there is a time limit and that it is not open-ended. He stressed that the imposition of martial law in Beijing has strengthened the stability of the social

order, keeps the door open to the outside world and facilitates restoration of the tourist industry and development of foreign trade.

### Commentary Reaffirms Four Cardinal Principles

OW2409225389 Nanchang JIANGXI RIBAO  
in Chinese 26 Aug 89 p 1

[JIANGXI RIBAO commentator: "Persist in Educating the People on the Four Cardinal Principles—Another Discussion on Implementing the Guidelines of the 4th Plenary Session of the 13th CPC Central Committee"]

[Text] During the audience he granted to Army commanders and higher-ranking officers of the martial law units in Beijing, Comrade Deng Xiaoping said: "There is nothing wrong with upholding the four cardinal principles itself; if there is, it is the lack of consistency in upholding the principles. We have not educated the people, students, and all cadres and Communist Party members with these principles as a basic ideology." The 4th Plenary Session of the 13th CPC Central Committee also explicitly pointed out that the four cardinal principles are the foundation of the country and stressed that they must be upheld firmly and consistently. While examining our past performance in studying and implementing the guidelines of the plenary session, we believe that we should from now on adhere firmly to the four principles, examine the actual situation, and educate the people by integrating theory with reality so that the situation can be further stabilized, political stability and unity can be enhanced, and Jiangxi's reform, openness, and construction can be further expedited.

The four cardinal principles refer to the four principles Comrade Deng Xiaoping set forth in 1979: Uphold the socialist course, uphold the people's democratic dictatorship, uphold the Communist Party leadership, and uphold Marxism-Leninism-Mao Zedong Thought. Unfortunately, we have not paid enough attention to these utmost important requirements and our efforts to ensure the implementation of these principles have been inconsistent. Comrade Zhao Ziyang approached these four principles negatively, and thus he called for "reforming the ideological and political work." His proposal for reforming and diluting party leadership actually led to eliminating party leadership and encouraging and harboring proponents of bourgeois liberalization. As a result, party member-cadres began to do everything for money, "place money above everything," stress nothing but immediate material and economic benefits, and disregard overall, long-range interests of the people and social effects, thinking little about the correct political course, firm proletarian stand, and clear-cut party spirit. Consequently, such bourgeois mentalities characterized by ultraindividualism, money worship, and anarchism began to proliferate. We are totally justified today to say that the counterrevolutionary rebellion in Beijing, which was suppressed not long ago, was the bitter result of a slackening of the efforts to uphold the four cardinal principles and the all-out eruption of bourgeois liberal

ideas. Just as Comrade Deng Xiaoping penetratingly pointed out: "The nature of the incident is the confrontation between bourgeois liberalization and the four cardinal principles."

The iron-clad truth and the bloody lesson have made us realize clearly that the most fundamental interest of the people in the country lies in upholding the four cardinal principles, and that if we fail to educate the people in the country on these principles, China will be as disunited as sand, the whole nation will be beset by great chaos, the survival of the party and the state will be jeopardized, and our endeavor to build a Chinese-style socialist society and achieve the four modernizations will simply be an empty phrase. The four cardinal principles are political principles that our party adheres to constantly. Our party's fine traditions and political superiority can be observed in educating the people to work wholeheartedly to achieve the four modernizations with unity in thinking, actions, and steps on the basis of the four cardinal principles.

The four cardinal principles are the foundation on which the nation is built, and only socialism can save and revitalize China. This is the truth that has been confirmed by the enormous successes the country has achieved during revolution and construction over the past 40 years. Only the socialist course can lead China to a beautiful future. The proponents of bourgeois liberalization who try to thoroughly Westernize China have no future because the people in the country will not let them. In order to make sure that the vast number of laboring people can proceed with socialist construction and to create a good environment for reform and openness, we must exercise dictatorship over the class enemies and bad elements and exercise democracy over the vast number of people. The upheaval and counterrevolutionary rebellion in Beijing has taught us a profound lesson; namely, we must exercise dictatorship over all hostile, antisocialist elements. Such a dictatorship is a struggle within our own country, but sometimes it also is an international struggle. These two struggles are virtually inseparable. If we do not exercise dictatorship over the antiparty and antisocialist elements, our country and our people will never have a day of peace and we can never expect to achieve the four socialist modernizations.

The CPC's strong leadership is what we must rely upon in carrying out the four socialist modernizations and in upholding the people's democratic dictatorship. The Chinese people have placed their future, destiny, and hopes on the CPC. Even though our party has made some mistakes in the course of leading the nation on the great, unprecedented endeavor, the vast number of people continue to believe that the CPC is a great, glorious, and correct party and the central force that leads our cause. The purpose of the extremely small number of elements who insist on being hostile to the people and who deliberately created the upheaval and the counterrevolutionary rebellion was to overthrow the CPC leadership and build a Westernized, bourgeois republic. Marxism-Leninism-Mao Zedong Thought is the theoretical foundation of our thinking. The severe

political struggle involved in suppressing the counterrevolutionary rebellion in Beijing has once again proved that Marxism-Leninism-Mao Zedong Thought is the powerful ideological weapon which helps us to observe and analyze things and handle all problems. Contrary to being "outmoded" or "useless," Marxism-Leninism-Mao Zedong Thought is the guide for our revolution and the four modernizations. If we fail to uphold Marxism-Leninism-Mao Zedong Thought, we will lose our bearing, deviate from the right course, and forfeit the enormous successes we have achieved in our reform and construction.

The four cardinal principles supplement and enhance each other. They are an organic whole, and none of the principles is dispensable. If we upset any one of the four, we will have upset the entire socialist cause as well as the entire modernization drive. When Comrade Deng Xiaoping said that we committed the greatest mistake in recent years in the field of education, we did not fully understand what he said. Now the student unrest and the subsequent upheaval and the counterrevolutionary rebellion have helped us clearly understand how important it is to educate the whole nation about the four cardinal principles so that the people will understand the need to take a clear-cut stand to combat bourgeois liberalization! The bourgeoisie in the West has never given up its attempt to subvert China's socialist system by means of both soft and tough measures. Serving as assistants to the bourgeoisie in its wild attempt to install a capitalist system in China, the proponents of bourgeois liberalization at home will, whenever an opportunity arises, stir up trouble by advocating "peaceful evolution." This being the case, we must by no means lower our guard and become careless! Arming the whole nation with the four cardinal principles is intended to heighten the political consciousness of the nation as a whole. So long as we wield this weapon—the four cardinal principles—we will be able to see through the tricks of those who violate the four cardinal principles or create disturbances, and all the goals of the conspirators will end in failure.

While educating the people on the four cardinal principles, we must use facts and theories, as well as positive and negative examples so that the people will learn from the lively and practical education that the country can become a prosperous and developed country only by upholding the four cardinal principles consistently. Upholding the four cardinal principles does not mean that we must stop advancing or ostracize ourselves from the outside world; rather, it means that we must continue to carry out reform and open to the outside world and learn anything worthwhile, both ancient and foreign, in a critical manner. We must earnestly learn a lesson from our experiences in carrying out ideological and political work, carry forward the fine traditions, strive to make up our insufficiencies, and create fresh experiences so that the education on upholding the four cardinal principles can be more effective and our reform and openness can be more successful.



Upholding the four cardinal principles and combating bourgeois liberalization are a severe struggle and a protracted and formidable strategic mission which leaders of party organizations at all levels must place on their agendas and pay attention to ideologically and accomplish with actual measures. Party committees and government, educational, and propaganda departments at all levels must exercise leadership over this project to make it a success. Moreover, we must establish a trim and efficient ideological and political contingent and give full scope to the role played by political cadres in socialist spiritual construction. Our party has the tradition of attaching importance to ideological and political work and it has trained a large number of proficient ideological and political workers. This being the case, we certainly will be invincible in proceeding with our socialist construction provided that we persist in educating the people on the four cardinal principles, in combating bourgeois liberalization, and in striving to do our ideological and political work effectively.

#### Article Stresses Socialism, Cardinal Principles

HK2509000189 Beijing LIAOWANG in Chinese  
No 36, 4 Sep 89 pp 7-9

[Article by Zhang Guozuo (1728 0948 4373): "How To Understand the 'Minor Climate'"]

[Text] The soul-stirring storm has subsided. After drawing a lesson from the bitter experience, people may ask: Why has the situation suddenly changed with turmoil occurring in China which was flourishing and full of hope? Comrade Deng Xiaoping has clearly given the answer to this question: This is determined by the major international climate and China's own minor climate. In the relations between the "major climate" and "minor climate," we should soberly realize that internal causes are the basis of change and external causes are the condition of change, and that external causes become operative through internal causes. The "major climate" becomes operative through the "minor climate." Hence, a comprehensive observation of the connotation of the "minor climate," a clear understanding of the harm of the "minor climate," and a profound study of the cause of the "minor climate" and method of cure constitute one of the primary topics to be examined after the quelling of the rebellion.

#### The Core of the "Minor Climate": Bourgeois Liberalization and the Four Cardinal Principles Which Are Against Each Other

What does "minor climate" mean? In a word, it refers to the tendency of bourgeois liberalization which is spread unchecked. This tendency corrodes the body of our socialist country and corrupts the thinking and soul of the broad ranks of masses, young students in particular. It is mainly manifested in the following:

1. **Brazenly advertising out-and-out egoism.** They spread "placing individual interests above everything else" and "selfishness constitutes man's nature and gene,"

believed that "advocating selflessness will fetter man's nature" and "it was a great historical mistake to set Lei Feng as an example," and openly publicized that "it is naturally reasonable to build a mansion of selfishness."

2. **Flagrantly advertising money worship and "putting money above everything else."** Influenced by this tendency, many people defied laws, forsook social ethics and principles, lost their national dignity and moral qualities for the sake of money and for the interests of individuals or small groups.

3. **Advocating bourgeois freedom and democratic viewpoints and negating socialist freedom and democratic viewpoints under the pretext of abstract "democracy," "freedom," and "human rights."** They negated the achievements of democratic revolution and construction led by the CPC since the "May 4th" movement and openly asserted that "socialist China is also a country without democracy." They proposed that the Chinese Government follow the system of administration, judiciary, and legislature which is independent from each other in the Western capitalist countries and establish the so-called parliamentary democracy. They distorted the policy of "letting a hundred schools of thought contend," negated the leading position of Marxism, and peddled bourgeois ideology. They advocated human rights of bourgeois individualism, ignored and trampled on the human rights of others in a socialist society, wantonly sabotaged the socialist democratic legal system, pursued anarchism, and looked to foreigners for support and exerted pressure on China.

4. **Opposing the people's democratic dictatorship under the pretext of opposing feudal autocracy.** They deliberately confused the fundamental difference between socialism and feudalism and between the people's democratic dictatorship and feudal autocracy, and regarded the people's democratic dictatorship as "tyranny" which "opposed human rights" and "punished people for their views." At the same time, they vigorously publicized bourgeois hypocritical, supraclass "humanitarianism" and openly demanded release of all "political prisoners."

5. **Opposing party leadership, advocating political pluralism, and demanding practice of the multiparty system of the Western bourgeoisie and establishment of an opposition party.** They shouted for "abolition of party autocracy," saying that "newspapers should not become the party's mouthpiece" and "the workers should separate themselves from party leadership."

6. **Opposing the upholding of Marxism and openly advertising that Marxism is "outdated."** They advocated that "the three component parts of Marxism are wrong and outdated," asserting that "Marxism is no longer applicable to China" and "the method of Marxist study proceeded from correct principle, but produced mistaken results," and maintained "thoroughly criticizing Mao Zedong Thought."

7. **Opposing the socialist system and prettifying the capitalist system.** They asserted that "the attempt of

socialism and its failure constitute one of the two heritages of mankind in the 20th century" and "to rely on 'Marxism' is to destroy but to rely on 'capitalism' is to construct." They insisted that "capitalism is the only way out for China" and called for justifying private ownership and "sounding the death knell of public ownership."

**8. Publicizing national nihilism, advertising national betrayal, and proposing total Westernization.** A tiny handful of people who advocated bourgeois liberalization prettified the brutal imperialist aggression of China and even wished that China would continue at least "300 years of colonialism." They vilified and threw mud at traditional Chinese culture and brazenly opposed the slogan of patriotism, insisting that "China is insignificant," "the Chinese race is not good," and "China must be disbanded rather than liberated."

To sum up, we can clearly see that the "minor climate" characterized by bourgeois liberalization is against the four cardinal principles, the foundation of our country. Influenced by this "minor climate," the antiparty, anti-socialism, anti-Marxism-Leninism-Mao Zedong Thought, and antipeople's democratic dictatorship speeches and practices reached an unscrupulous extent tantamount to an all-around offensive launched against the four cardinal principles.

#### **The Cause of the "Minor Climate": The Social and Political Conditions and International Background to Bourgeois Liberalization Which Has Spread Unchecked**

In the natural world, there are various factors for a climate to take shape. This is also the case in the shaping of an ideological and political climate in social life. The tendency of bourgeois liberalization has its social and political conditions and international background for running wild, resulting in the "minor climate" of turmoil and rebellion.

Since reform and opening up, an ideological tendency of suspecting the four cardinal principles and socialism and worshipping capitalism developed within the party. Certain comrades occupying important leading posts within the party adopted the attitude of yielding in and even appreciating bourgeois liberalization. This is an essential reason for the shaping of the minor climate of bourgeois liberalization. When the "minor climate" focused on the "Xidan democracy wall" that occurred in the spring of 1979, Comrade Deng Xiaoping explicitly expounded the necessity and urgency of upholding the four cardinal principles and opposing bourgeois liberalization. He exhorted the whole party: "To achieve the four modernizations in China, it is necessary to ideologically and politically uphold the four cardinal principles. This is the fundamental prerequisite for achieving the four modernizations." "To undermine any of the four cardinal principles is to undermine the whole cause of socialism in China, the whole cause of modernization." Later, Comrade Deng Xiaoping mentioned more than once about the importance of upholding the four cardinal principles

and opposing bourgeois liberalization and about the internal unity of the two basic points. However, Comrade Deng Xiaoping's important thinking was not taken seriously. Conversely, when the tendency of bourgeois liberalization spread unchecked, some comrades within the party regarded the four cardinal principles merely as the stuff to keep up an appearance rather than the foundation of the country. Some people tried to negate the historical position of Comrade Mao Zedong under the pretext of criticizing the "two whatevers." They even regarded wholeheartedly "serving the people" and "fearing no hardships or death" as erroneous viewpoints and criticized them. Under the banner of emancipating the minds and supporting practice, some spread the views of suspecting party leadership, socialism, and Marxism and worshipping Western capitalism. As the comrades holding important leading posts within the party "tolerated" and yielded to these erroneous views rather than resolutely resisting and struggling against them, the "minor climate" focused on the "Xidan democracy wall" at first spread from the sphere of ideology to the whole country, eventually giving rise to the second upsurge of the trouble stirred up by the "minor climate" from 1986 to 1987. While assuming the office of general secretary of the CPC Central Committee, Comrade Zhao Ziyang intensified the ideological tendency of deviating from the four cardinal principles within the party.

Zhao openly said that "only party leadership should be stressed in upholding the four cardinal principles in the future while the other three should be mentioned as little as possible" and that "nobody can clearly explain the socialist road." His erroneous views gave the vicious development of the "minor climate" the green light and a protective umbrella. As a result, bourgeois liberalization which spread unchecked induced the turmoil and rebellion. Historical lesson teaches us that party leadership is the key to eliminating the "minor climate."

Ideological and political work and the Marxist front were seriously weakened, reduced to inferiority, and lost their proper fighting capacity. This is another essential reason why the "minor climate" could stir up trouble. As Comrade Deng Xiaoping pointed out not long ago, the greatest mistake we made over the past decade was in education. Here education refers to giving publicity to political and ideological theories. Because of the mistaken guidance of certain leading comrades within the party, Comrade Zhao Ziyang in particular, in recent years, things have been made difficult for ideological and political work under the excuse of "transformation." Marxist theoretical propaganda work has also been weakened. Meanwhile, those indulged in bourgeois liberalization were very "popular" for a time. A very abnormal phenomenon appeared in China's ideological sphere: Those bitterly abusing the four cardinal principles drew applause, won reputation, and were regarded as people with a high cultural level. They were invited to give lectures, issue articles, and publish books. They also received promotions. Conversely, whoever attempted to

uphold the four cardinal principles and oppose bourgeois liberalization were excluded and criticized. Hence, the scope of the Marxist front gradually reduced at a time.

Owing to a lack of positive propaganda and profound systematic theoretical study conducted on upholding the four cardinal principles and practicing people's democracy, those going in for bourgeois liberalization and advocating the so-called "freedom, democracy, and human rights" took the advantage, found a market among the young people, and built momentum. This is a tactical lesson we must draw. We failed to conduct studies and propaganda on the question of "freedom, democracy, and human rights" in which the young people could be easily duped. In fact, socialist freedom, democracy, and human rights are more realistic and extensive than capitalist "freedom, democracy, and human rights." Owing to a lack of systematic and convincing deliberation and propaganda, instead of organically linking the two, some people onesidedly set freedom, democracy, and human rights against the four cardinal principles. Consequently, the so-called "freedom, democracy, and human rights" spread by those going in for bourgeois liberalization became a monstrous thing in the minds of certain people. As some masses were incited by these slogans, they consciously or unconsciously directed their discontent against the four cardinal principles.

Corrupt practices endangered enormously at a time and were not effectively checked. Despite unfair social distribution, there was a lack of effective regulation. All this gave rise to mass discontent. Moreover, those going in for bourgeois liberalization seized the opportunity to incite some masses, especially young students, to stir up trouble. This can be regarded as the social cause of the trouble stirred up by the "minor climate." In fact, fighting corruption and punishing official profiteering were the correct slogans proposed first by our party which later served as a "foil" to the organizers and plotters of the student unrest, turmoil, and counterrevolutionary rebellion. As Comrade Zhao Ziyang disregarded mass sentiments and insisted that "corrupt practices are unavoidable in the course of reform," it weakened the anticorruption work. Consequently, corrupt practices and official profiteering within the party reached a grave extent after a time, which became the pretext of a handful of political careerists and conspirators to launch a counterrevolutionary rebellion and a threat shaking the foundation of the country.

Imperialists have never given up their tactics of "peaceful evolution" in socialist countries. They seized the opportunity of the ongoing reform and opening up in socialist countries to promote their "peaceful evolution" tactics, backing and encouraging the people who hanker after bourgeois liberalization. This constitutes the international background and major climate for the shaping of the "minor climate." Since reform and opening up, there has been frequent political, economic, trade, and

cultural contacts between China and the Western countries. This is useful for accelerating the pace of China's economic construction.

Meanwhile, the bourgeoisie also tried by every means to influence some Chinese people with their world outlook, outlook on life, values, ways of life, and political system and to seek their agents and followers from within China in a bid to bring China into the ranks of international imperialism. Those going in for bourgeois liberalization in China understood this tacitly. Once they have the opportunity, they would openly ask certain countries to "show concern for" China's human rights and interfere in China's internal affairs under the pretext of the "human rights" issue. The major and minor climates inside and outside China coordinated with each other from afar. People can clearly see through this from the entire course of the storm.

#### **The Harm of the "Minor Climate": Laid Ideological and Theoretical Foundation and Created Public Opinion for the Current Turmoil**

From student unrest to turmoil and then to the counterrevolutionary rebellion, the storm was the evil consequence of the tendency of bourgeois liberalization which spread unchecked. The "minor climate" characterized by bourgeois liberalization prepared ideological conditions for the turmoil and laid the ideological and theoretical foundation for the turmoil.

First, influenced by the tendency of out-and-out egoism, a number of college students put undue stress on "essential aspect" and "self selection," which encouraged the sentiments of anarchism. In the turmoil, were the "democratic fighters" who called themselves "elites," the so-called "student leaders," and the ruffians engaged in wanton beating, smashing, looting, burning, and murder in defiance of party discipline and state laws not the followers and victims of out-and-out egoism and anarchism?

Second, influenced by the bourgeois viewpoints of "freedom, democracy, and human rights," some people put undue stress on democracy but ignored the restraint of law, put undue stress on their freedom but ignored other's freedom, put undue stress on their human rights but ignored the duties of citizens, and disregarded the overall interests and the dignity of the state. This terrible onesidedness was fully manifested in the turmoil. Precisely on this standpoint, the brain trusters who plotted the turmoil vilified socialism, distorted the people's democratic dictatorship, denied the differences between new and old China, and negated the liberation and enormous fundamental interests New China has brought to the people of all nationalities in China. They regarded "freedom, democracy, and human rights" of the bourgeoisie as their own slogans to incite discontent and resistance among the innocent students against the party and government. As to the counterrevolutionary ruffians who clamored for "freedom, democracy, and human rights," their behavior is not permitted by the socialist



legal system and is also far from the "theoretical" standards of "freedom, democracy, and human rights" of the bourgeoisie.

Third, those craving for bourgeois liberalization made use of various means of propaganda to spread views against the four cardinal principles, exerting a bad influence among students and some intellectuals. As a result, there was a crisis in many people's confidence in Marxism, socialism, party leadership, and the people's democratic dictatorship. The sense of crisis exaggerated the mistakes in party and government work and intensified the contradictions between people's expectation and social reality, resulting in the erroneous thinking that corruption is an inevitable outcome of the socialist system. Hence, large numbers of young students and intellectuals with patriotic enthusiasm and good intentions consciously or unconsciously got involved in the turmoil plotted by a tiny handful of people.

Fourth, negation of the tremendous changes brought by Marxism in connection with China's reality and total negation of national history and traditional culture are bound to lead to national nihilism, pessimism, and the mentality of worship and blind faith in foreign things. The so-called "patriotic democratic fighters" regarded betrayal as honor rather than shame. Some were eager to become the "black horse" of imperialism and colonialism. Some requested other countries to impose sanctions on their own motherland. Do they still have a smack of Chinese?!

#### **Radical Cure of the "Minor Climate": The Key Lies in Effectively Tackling the Political Environment**

The tragedy of the "minor climate" that fomented a great turmoil is indeed shocking. To avoid the repetition of the tragedy, the fundamental measure is to frequently tackle the "minor climate." Viewed from past and current lessons, we should adopt a clear attitude and stand on what to uphold, what to oppose, and which road to follow in the tide of reform. To achieve this, we must unswervingly do well the following work:

First, profoundly understand and earnestly strengthen party leadership and attach great importance to the significance of upholding the four cardinal principles and opposing bourgeois liberalization. On this question, the whole party should seek unity of thought, unite as one, and take a clear-cut stand.

Second, build a powerful contingent of Marxist political and ideological theoretical propagandists who stick to the four cardinal principles and have a fighting spirit. While adhering to the "double hundred" policy, uphold the leading position and guiding role of Marxism and adhere to the socialist orientation in theoretical research, literary and art creation, and cultural undertakings that include press and publication.

Third, take close note of the developing trend of the contemporary society, the ideological tendency of

youths, the new development of modern science; profoundly study and give answers to questions of common concern; make realistic and scientific analysis and criticism of mistaken ideas; and provide people with correct ideological guidance.

Fourth, resolutely punish corruption, seriously investigate and handle "official profiteering," overcome the mistakes in government work, put an end to the state of unfair social distribution, and earnestly solve the practical problems which concern the masses most. The decision made by the Political Bureau of the CPC Central Committee recently on "doing seven things which concern the masses most" enjoys popular support. Efforts should be made to do this work well.

Fifth, clearly see through and explain to the masses that the danger of imperialism subverting socialist countries still exists and that their means adopted now is mainly peaceful evolution. It is necessary to comprehensively and profoundly understand and extensively publicize China's national conditions. We should enable the people to realize that there will be no hope for practicing capitalism in China and that "only socialism can save China."

Sixth, perfect democracy and the legal system, encourage free airing of views, and unclog the channels of participation so that there are ways for the vast numbers of students and intellectuals to express their ideological feelings healthily through legal procedures and that a political situation characterized by centralism and democracy, discipline and freedom, and unity of thinking and ease of mind is established.

We should gain a good deal of enlightenment from a review of the past and open up a bright future by summing up experience. So long as we consolidate the foundation of the country, follow the road of making the country strong, and uphold the basic line summed up by the 13th party congress, we will certainly be able to take steady and faster steps on the road of building a modern and powerful socialist country.

#### **Radio Talk Views Socialist, Capitalist Rights**

*OW1809050789 Beijing in Mandarin to Taiwan  
0205 GMT 16 Sep 89*

[Talk] by Chen Geng from the program "Talks on Current Affairs]

[Text] Listeners, recently some countries in the West have kept trying to interfere in China's internal affairs, using the issue of human rights as a pretext. The media in these countries have often made it a practice to observe China's political life from their biased, bourgeois viewpoint on human rights. At home, the handful of antigovernment elements who created the counterrevolutionary rebellion have also tried to discredit the CPC leadership and subvert the socialist system, flaunting the banner of what they call safeguarding human rights. Essentially, these phenomena indicate the fundamental

differences between the capitalist and socialist concept of human rights. Listeners, in today's program, I would like to have some preliminary discussion with you on the issue of human rights.

I must first state that, both in theory and practice, Marxist and socialist countries and Chinese Communists do fully acknowledge and respect human rights and are fighting actively for them; and we also admit that, because of historical, economic, and many other complex reasons, the state of human rights in China is defective. This is not unusual at all, because so far there is not one single country in the world in which the state of human rights is totally perfect. Nevertheless, certain people have made a big fuss of the issue of human rights in China. As a matter of fact, these people really do not want to see an improvement in the state of human rights in China, they are only interested in vilifying the Marxist and socialist concept of human rights, and in imposing the bourgeois concept of human rights on China. The following theories are what we must denounce and clarify.

1. The theory that human rights are something independent from—or even confrontational with—society. The origin of such a theory is the bourgeois theorists' theory of natural rights. In their view, human rights are something innate with human beings as a biological species, they do not have a social nature, and they are independent from society. Thus, when society, nations, and states impose certain necessary restrictions on individual rights, or even demand certain sacrifices, these people loudly proclaim that their human rights have been violated. Instead of thinking that all citizens must undertake social obligations, they think that these obligations are incompatible with human rights and are something society forces them to accept. Without considering China's current economic and political situation, they insist on demanding their individual rights in total disregard of their social obligations. Such a demand certainly cannot be met. Thus, they claim that socialism is inattentive to human rights and therefore it is inferior to capitalism. If such a concept is permitted to be translated into action, anarchism would certainly result. During the turmoil and rebellion in Beijing not long ago, some human rights proponents, disregarding laws, the Constitution, and the interests of the state and the people, proceeded to incite students to boycott classes, parade and demonstrate in the streets, engage in sit-ins and hunger strikes—even in beating, smashing, looting, burning, killing, and acting wilfully to destroy state property. Did these totally lawless people pay any attention to human rights?

The Marxist concept of human rights holds that they are a social concept and that no human rights can be independent from society, and thus human rights can by no means be separated from society, nor can they be free from control of social factors—not even for one moment.

While safeguarding citizens' rights, our law has also prescribed certain obligations citizens must undertake. This is to say that privileges and obligations are mutually conditional, and that there are no such things as obligation-free privileges.

2. The theory that individual human rights are absolute and can be placed above society and other people. Certain extremely egotistical people think that their individual rights are supreme. These people have one most distinctive characteristics: They unilaterally demand recognition of their personal rights, but not those of other people. They think that the rights of other people should be subordinated to theirs. This is the typical bourgeois concept of human rights, since individualism is the core of the bourgeois philosophy of morality. During the recent counterrevolutionary rebellion, some people, while vehemently demanding human rights, proceeded to disrupt public order and grossly interfere in other people's normal order of study, work, and livelihood. They even ruthlessly beat up and killed officers and men of the People's Liberation Army and the Armed Police Forces. Did these people show any respect for human rights? What these people did was nothing but trample on human rights.

Different from the ultra-individualistic concept of human rights, the Marxist concept maintains that collective interests should be above individual interests, because the former are the precondition for the latter, and there simply will be no individual interests if there are no collective interests. That is why, when individual interests are in conflict with collective interests, individual interests should be sacrificed partially, or even completely. This is the basis of the spirit we advocate—the spirit of selflessness, or of devoting ourselves totally to others without any thought for ourselves. Sacrifice of personal rights is the distillation—not the violation—of personal rights, because such sacrifice helps the realization of collective interests and collective rights.

3. The theory that one single pattern of human rights—namely the so-called universal human rights advocated by certain countries in the West—can be applied in all different countries. Without regard to the obvious differences between countries, certain people in the West have made it a habit to judge the state of human rights of other countries according to their standards, insisting that these standards be followed by all countries. Certain people in China also insist on upholding those standards and, when they fail to do so, say that China is inferior. This completely runs counter to the Marxist concept of human rights. This also shows the major differences between two concepts of human rights: the bourgeois concept, which only pays lip service to upholding human rights in abstract terms, and the Marxist concept, which emphasizes the need to approach human rights specifically and from an historical perspective.

Viewing from the angle of historical materialism, the Marxist concept of human rights maintains that they are something tangible and realistic, and that they vary from

country to country because they are subjected to the restriction of economic, political, cultural, traditional, and many other factors. It also maintains that, since the situation in different countries can vary substantially, the state of their human rights should also differ, and that any attempt to find an abstract human rights pattern which can be universally applied in all countries would be futile. Now, certain countries in the West are attempting to do this and some people in China also hope to do this; but their efforts are doomed to failure.

Since the state of human rights vary from country to country, then the issue of human rights should be considered as part of the internal affairs of each individual country. This viewpoint is in line with the principle governing state sovereignty prescribed in the United Nations Charter.

We think that different countries can agree on certain common objectives and basic guiding principles for human rights for the sake of safeguarding them, and that countries should also undertake their international obligations and follow the universally acknowledged norms and modern international laws. On the other hand, we think that the principles, steps, and measures adopted by various countries to safeguard their human rights according to their own situation should strictly fall under the category of these countries' internal affairs, which should be fully respected and not crudely interfered with, so that international human rights activities can develop soundly and international understanding and cooperation can be enhanced.

In short, the human rights slogans and theories set out by the proponents of bourgeois liberalization in China and the human rights activities they have carried out are things they have borrowed from the bourgeoisie of the West. The human rights slogans and theories they propagate run counter to China's socialist course, as well as the historical tide.

#### Article Views 'Class Essence' of Democracy

HK2509092189 Beijing JIEFANGJUN BAO  
in Chinese 5 Sep 89 pp 1, 3

[Article by Meng Qingzhong (1322 1987 6988): "The Class Character of Democracy Cannot Be Obliterated"]

[Text] The question of democracy has been thrown into extreme chaos by the advocates of bourgeois liberalization. In the turbulence since April, the slogan of democracy has even become a banner used by an extremely small number of people, who plotted and incited the counterrevolutionary rebellion, to confuse and poison people's minds, and to deceive and incite the masses. An important trick played by these people is to obliterate the class character of democracy, advocating that democracy is only a "mechanism for rectifying mistakes in policy decisions" and that it "transcends class, age, and national boundaries." Obviously, clarifying the class essence of democracy and eliminating the theoretical confusion on this issue is not only necessary for exposing

the political plot by a handful of people stubbornly clinging to bourgeois liberalization, it is also an important topic to distinguish between right and wrong on the ideological and theoretical front and to conduct enlightening education in democracy among the vast numbers of cadres and people, especially young students.

When examining the question of democracy, Marxism has always closely linked it with the state system and thus grasped its kernel and essence. As far back as 1843, in his book "Critique of Hegel's Law and Philosophy," Marx pointed out: "The system of democracy exists as a quasi-concept [lei gai nian 7352 2861 1819] of the state system." ("Complete Works of Marx and Engels," Vol 1, p 280) Lenin also said: "Democracy is a form of the state, one of its varieties." ("Selected Works of Lenin," Vol 3, p 257) This tells us that, fundamentally speaking, democracy is a state political system opposed to autocracy. Some concepts related to democracy, like those people usually call democratic life, democratic work style, and democratic consciousness, derive from democracy as a state system and pattern. Viewed in terms of content and form, democracy, as a state system, can be divided into two component parts, democratic entity and democratic procedure. They are different from and organically related to each other. The former refers to the key contents of democracy, including the questions of which class controls state power and which political, economic, and social democracy and rights of freedom the class controlling political power, and its allies, should respectively enjoy. This has a clear-cut class character referring to specific principles, procedures, and organizational forms for the implementation of democracy, such as the principle of the minority being subordinate to the majority, the principle of participation, and the democratic form of representation and, as they are generally devoid of a class character, they can serve the class controlling them. The advocates of bourgeois liberalization regard democracy as a "mechanism for rectifying mistakes" in an attempt to prove that democracy "transcends class and national boundaries." The trick here is that they only talk about the procedures and forms of democracy but dodge the essence of democracy. They also attempt to use the procedures of democracy and the forms of implementation, which have a general and non-class character, to cover up this key essential content i.e., the class character of democracy. This is obviously preposterous. True, in democracy we should observe the principle of the minority being subordinate to the majority and the principle of participation, and we can rectify the mistakes or faults of decision-makers through a democratic procedure, but which class and which people join in deciding national affairs? In the scope of which class should the minority be subordinate to the majority? To the majority of which class should the minority be subordinate? The advocates of bourgeois liberalization evade, or refuse to commit themselves on, questions involving the essence or crucial point of democracy. This precisely exposes the hypocrisy of their "theory of democracy transcending classes." We are advocates of Marxist democracy. When we examine the



question of democracy we should naturally not neglect the procedures and forms of democracy (they are important aspects in constantly strengthening and improving our socialist democratic system) but we must attach great importance to and closely grasp the substance of democracy and its class essence. Only when we understand this can we be regarded as having grasped the kernel of Marxist democratic concept and correctly grasped the orientation of building socialist democracy.

The class character of democracy, as a state system or formation, finds concentrated expression in the following two basic aspects.

1. Which class controls the political power and enjoys democratic rights and the interest of which class does it safeguard.

Since democracy is a state system, the heart of the matter is which class controls state power and enjoys democratic rights. The advocates of bourgeois liberalization do their utmost to spread and beautify the capitalist democratic system but a fact which should not be evaded is: No matter how fine and perfect the capitalist democracy is in terms of specific form and procedure, it is nevertheless a form by which the bourgeoisie exercises class rule over the proletariat. In other words, only the bourgeoisie controls political power and enjoys freedom, while the proletariat and the working class are, in essence, excluded from democracy, state power, and political life. Under the capitalist system, through possession of the means of production the bourgeoisie controls and monopolizes all power to administer the state, run the economy, and manage science, education, culture, and all other social undertakings. In the United States for example, big monopoly capitalists, who account for 0.2 percent of the total population, control 60 percent of all company property in the United States; financial magnates, who account for 1.6 percent of the total population, control 80 percent of all stocks in the United States. These exploiters, who are small in number but occupy a ruling position economically, enjoy special political privileges above all other people. The proletariat and the working people however, are in an exploited and ruled position because they do not control the means of production. Naturally, it is impossible for them to enjoy the political rights to administer the state and society. The parliamentary system is a standard form of capitalist democracy. The advocates of bourgeois liberalization vigorously advocated the total and uncritical introduction of the Western system of parliamentary democracy, saying that it "represents society as a whole," "represents the interests of the whole people," and is "the most scientific and effective" democratic form. In fact, as Lenin pointed out: This democratic system is nothing more than "deciding once every few years on which member of the ruling class was to repress and crush the people through parliament." ("Selected Works of Lenin," Vol 3, p 209) Judging by the composition of parliament in capitalist countries, most parliamentarians are representatives of the monopoly bourgeoisie, and the working class and other laboring people

have no status at all. For example, in the 95th U.S. congressional elections, none of the 531 congressmen elected to the Senate and the House of Representatives was a worker-congressman and almost all the seats were seized by the representative figures of the bourgeoisie. The black people account for 12 percent of the U.S. population but during those elections the only existing black senator in the Congress was squeezed out. Moreover, judging by the functions of a capitalist legislative assembly, to exercise its legislative power, its principal activity is to hold meetings to discuss and approve various resolutions and bills. However, as stated above, since the parliamentarians in capitalist countries are almost invariably the representatives of the bourgeoisie, the right to hold a legislative assembly meeting is also held by agents of the bourgeoisie. Obviously, the resolutions and laws passed by them can only speak for the bourgeoisie and protect the interests of the monopoly bourgeoisie. In the course of quelling the Beijing counterrevolutionary rebellion some people in both houses of the U.S. Congress, upholding the stand of the monopoly bourgeoisie, wrote articles and delivered speeches grossly interfering in China's internal affairs. They also passed resolutions in a bid to impose economic sanctions against our country. The voice of the U.S. proletariat and the vast numbers of laboring people, however, was not reflected at all in the congress. This fully reveals the bourgeois nature of U.S. parliamentary democracy.

2. Over which classes and people is the dictatorship exercised.

Democracy, as a state form, is always linked to the dictatorship of a certain class. On the one hand, a bourgeois state implements a bourgeois democratic system by exercising democracy within the bourgeoisie; on the other hand, it also rules and exercises dictatorship over the proletariat and the other laboring people by means of prisons, police, troops, and other instruments of violence. In this sense the so-called bourgeois democracy is also a system of bourgeois dictatorship. During the present disturbance the U.S. ruling class condemned and denounced us. In light of this situation, Comrade Xiaoping pointed out: "The United States condemns us for suppressing the students. When dealing with domestic student unrest and disturbances, did not they dispatch police and troops, round up people, and also cause bloodshed? What they suppressed were the students and the people, whereas we have quelled a counterrevolutionary rebellion."

In this passage Comrade Xiaoping has clearly expounded the different characteristics of the socialist and capitalist democratic systems and the different functions of dictatorship between the two. In fact, even bourgeois politicians find it impossible to conceal the class character and the dictatorship function in bourgeois democracy. Last June, former U.S. President Ronald Reagan openly expressed support for the student unrest in China. When a reporter asked him why he had employed National Guards to suppress the demonstrating students while he was governor of California, he

replied: This is because the demonstrators were left-wing students and the communist party played a role in the demonstration. Reagan's logic—suppressing the demonstration of left-wing students with a proletarian tendency and employing the instrument of dictatorship against the people's demonstration supported by the communist party, which is the political party of the proletariat—unmistakably shows the clear-cut class character and anti-populist nature of bourgeois democracy.

Regardless of the fact that democracy has a class character, an extremely small number of people who stubbornly cling to the bourgeois liberalization stand and vigorously spread the fallacies of democracy having no class character in the hope of creating disturbances, totally importing the Western democratic political system, and subverting our socialist system of dictatorship by the proletariat. During the disturbance, on the one hand these people advocated that democracy "transcends classes and nations"; on the other hand they tried their utmost to belittle and vilify our socialist democratic system and beautify and praise the Western democratic system, saying that only the Western parliamentary democratic system is "scientific and effective" and openly stressing the need to take the capitalist democratic parliamentary system "as a blueprint for implementing democratic politics in China." This fully shows that the so-called theory of "democracy having no class character" is nothing more than a fig leaf with which they obliterated the demarcation line between socialist and capitalist democracy in order to deceive the masses and take advantage of this opportunity to peddle such rubbish as Western democracy. Moreover, they also used the theory of democracy transcending class as a smoke-screen with which they lulled the class consciousness of the vast numbers of party members, cadres, and people in order to take advantage of this opportunity to carry out anti-party and anti-socialist activities. As stated above, all forms of democratic system are closely linked with the dictatorship of a certain class. Ours is a socialist country of the people's democratic dictatorship in which we have achieved what Lenin called "the highest type of democracy," namely, the rule of the majority over the minority. Within the scope of the constitution and the law the proletariat and the broad masses of the people enjoy extensive rights of democracy and freedom in political, economic, educational, cultural, and other fields. However, it is necessary to expose and repudiate the anti-party and anti-socialist words and deeds violating the constitution and the four cardinal principles, to punish according to the law the handful of hostile elements violating the criminal law, and to exercise the people's democratic dictatorship over them. This is precisely needed by the socialist democratic system. For a long time however, because the party's General Secretary Comrade Zhao Ziyang adopted a conniving and supportive attitude toward the bourgeois liberalization trend, the concept that "democracy has no class character" has not been properly straightened out and criticized and the function of dictatorship in the socialist democratic system has tended to be neglected so that for

a long time there has been considerable ideological chaos on the question of democracy. In the eyes of many people, democracy seems to be everything and all other things, like law, discipline, and the people's democratic dictatorship, can be ignored and forgotten. Some people who stubbornly cling to the bourgeois liberalization stand are able to brazenly attack the four cardinal principles in our socialist newspapers, magazines, radio stations, and forums, and undisguisedly vilify our party and socialist system. Under the pretence of "democracy" a small number of people have even conducted criminal activities by being hostile to and undermining socialism.

However, when our party criticized a small number of people clinging to bourgeois liberalization, took administrative and organizational measures against them, or adopted a method of dictatorship toward someone violating the criminal law, like Wei Jingsheng, some people immediately stepped forward to denounce us as resorting to suppression, cracking down on a "social elite," and as being "undemocratic," "autocratic, and dictatorial." In the early period of the student unrest, was not a programmatic slogan raised by a handful of people plotting and inciting the disturbance aimed at "redressing the citizens who were wronged in the struggle against liberalization"? What is worth pondering is that, instigated by such a bewitching slogan, some masses who lacked general knowledge of Marxist democracy and were unaware of the truth, and some young students without political experience, believed them, thinking that our party was seemingly in the wrong on the question of democracy. This is an important ideological root of why so many people and young students were taken in and followed them during the disturbance. The grim fact proves that once we give up the principle of democracy having a class character we shall lose an important ideological position in socialism and an important weapon against bourgeois liberalization. This has also taught us from negative experience that it is very urgent and important to conduct education in Marxist democratic concept among the masses, especially the young students.

We stress that democracy has a class character but this does not in any way mean that we should not consult or use as reference some scientific and rational things in the Western democratic system. As stated above, democracy can be divided into two different but organically connected component parts, namely, entity and procedure. With regard to something rational and valuable in the procedure and form of the capitalist democratic system, like the electoral system, republic system, and representation, we may critically transform and absorb them as reference in building socialist democratic politics. When the Soviet regime was first established many years ago, Lenin explicitly pointed out: The state of proletarian dictatorship should never want a bourgeois assembly but it can use for reference the form of representation and needs the "representation of the laboring masses." ("Complete Works of Lenin," Vol 26, p 468) In 1954, when formulating its first socialist constitution, China

also translated many constitutions from capitalist countries and, after comparing them, absorbed that which was rational and could be used for reference. When talking about this issue Comrade Mao Zedong said that the bourgeoisie in Britain, the United States, and France were forerunners in constitution and "we should not write off bourgeois democracy with one stroke of the pen and deny bourgeois constitution a place in history." ["Selected Works of Mao Zedong," Vol 5, p 127] As the greatest and most promising class in human history, the proletariat has the boldness and breadth of vision to absorb what is useful in human civilization. We have complete confidence and ability to take over what is useful in the bourgeois democratic system and integrate it with the reality in our country. We should base ourselves in the country, use it to our advantage, and further advance and improve our socialist democratic system.

When we stress the class character of democracy, holding that socialist democracy is the "highest type" of democracy in human history so far, this does not in the least mean that the development level of our democracy is also very high and perfect. It should be understood that the type of democracy and the development level of democracy are two different concepts. When we say that socialist democracy is the "highest type" of democracy, it refers to the class essence and the fact that socialism has achieved the class rule of the proletariat and other laboring people, namely, the rule of the majority over the minority. In this regard our democratic system is, of course, incomparably superior to capitalist democracy. But it should be noted that, because of the fairly long history of China's feudal autocratic society, it is difficult to thoroughly eliminate the pernicious influence of feudalism in a short time. Because we are still in the initial stage of socialism the development level of productive forces and commodity economy is still low and, because of the various defects in our political structure and specific systems, our socialist democracy should be further improved in terms of specific procedures and implementation forms. In terms of the development level of democracy we still fall far short of the height that should be attained by socialist democracy. For example, in some specific leadership structures and systems there are still many aspects and links which are not scientific or perfect enough; whether in the party or society, there are still corrupt phenomena in violation of democracy, such as bureaucratism, the practice of abusing one's power to seek personal gain, the patriarchal system, and the practice of what one person says goes. Conversely, these problems can affect the depth and breadth of socialist democracy and the genuine achievement of the class character of socialist democracy under which the "people are the masters of the state." For this reason we must attach great importance to these problems and solve them by perfecting socialist democracy and the legal system. The Chinese Communists have been striving for the rights of democracy and freedom ever since they engaged in revolution. After the founding of the PRC we suffered such setbacks as the "10 years of

Cultural Revolution." In spite of this, after the 3d Plenary Session of the 11th CPC Central Committee, as soon as the economic and political construction of our party and state shifted to a normal path, our party and Comrade Deng Xiaoping promptly put forward the slogan "without democracy there would be no socialism" and the general objectives of socialist modernization program, including "democracy." The 13th party congress again put forward a specific plan for advancing reform of the political structure centering on the building of socialist democratic politics. Today, after undergoing the test of blood and fire in squashing the counterrevolutionary rebellion, the Chinese people will be more mature in understanding the class character of democracy and grasping the law governing the building of socialist democracy. We can be sure that, with the correct leadership of the party and the guidance of Marxist theory, the building of our socialist democracy will further develop in an orderly and systematic way and a modern socialist China with a high degree of civilization and democracy will tower in the east of the world.

#### Commentator Praises Grass-Roots CPC Organizations

HK2509025989 Beijing RENMIN RIBAO in Chinese  
20 Sep 89 p 1

["Commentator's Article": "A Sacred Task, A Glorious Duty—Greeting the Convening of the National Meeting To Commend Advanced Grass-Roots Party Organizations and Outstanding Party Workers"]

[Text] On the eve of the 40th anniversary of the founding of the PRC when the whole nation is ready to celebrate, the national meeting to commend advanced grass-roots party organizations and outstanding party workers solemnly opens in Beijing today [20 September]. This is a joyful event in the party's political life. We hereby extend our highest respects to advanced grass-roots party organizations on all fronts, which have scored remarkable successes in socialist construction and in the undertakings of reform and opening up, and to outstanding party workers who have worked diligently for and rendered selfless services to the party's undertakings!

The advanced grass-roots party organizations and outstanding party workers commended this time are outstanding representatives of some 3 million grass-roots party organizations, several hundred thousand professional party work workers, and several million part-time party work workers. They have made outstanding contributions at their own posts and creatively accomplished the tasks the party has assigned them. They are worthy of the name of a communist and are the real elite of the times.

Our party is shouldering the great historic task of uniting the peoples of all nationalities, relying on our own efforts, working hard, and realizing the four modernizations. In order to fulfill this glorious historical mission,



every party organization and party worker should energetically and voluntarily spread propaganda among the masses, organize them, closely unite the broad masses, and strive to implement the party's line, principles, and policies.

This citation meeting has been held soon after the soul-stirring counterrevolutionary rebellion in Beijing was quelled. Our party and our country have experienced another test of battle and every Communist Party member has withstood a grim test. History has again confirmed that the socialist road that the Chinese people have chosen should not be changed and that the party's leading position and role should not be shaken. This is the very foundation of our country and is what our enemies dread most. In the future, we arm all party comrades and the people of the whole country with this fundamental thinking and use it to guide all our work. In accomplishing this historical mission, grass-roots party organizations and all party workers of the whole party are shouldering important responsibilities and have so much work to do. The convocation of this meeting will certainly raise the level of grass-root party organizations and party workers to another new stage.

Grass-roots party organizations are the party's organic cells, the link between the party and the masses, and the foundation of the party's survival. The role of grass-roots party organizations and party leadership are closely linked. Only by bringing into full play the role of grass-roots party organizations can we unite, mobilize, and lead the broad masses of the people to implement the principles, policies, and propositions put forward by the party. When grass-roots party organizations have a unifying force, appeal, combat effectiveness, and vitality, the party as a whole will be full of vigor, life, and incomparable strength and become an ever-victorious collective.

To improve the combat effectiveness of party organization, strength, it is necessary to train and bring up a contingent of party workers who are politically mature, and well versed in party work, have practical experience, and are strongly supported by the masses. They are the loyal executors of the party's line, principles, and policies, advocates for the implementation of the party's propositions among the masses, are demonstrators of the party's fine traditions and work style. This contingent, which has grown up in the practice of revolution and construction is the backbone force of the party's cause, and the party's valuable treasures.

This is the first time since the founding of the PRC that advanced grass-roots party organizations and outstanding party workers have been commended on a national scale. This is also a review of the building of basic party organizations and the contingent of party workers. Through vigorous publicity and commendation, we shall be able to promote righteousness, arouse the sense of historical mission of the vast numbers of

party workers, give further scope to the role grass-roots party organizations as a political core, and promote party building.

Our party is a ruling party having 48 million members. The grass-roots party organizations and the outstanding elements of the party can be found in factories, villages, government organs, schools, Army units, and all trades and professions. Our grass-roots party organizations and party workers should be fully aware of their historical mission and glorious duty. With a strong sense of revolutionary undertaking and historical responsibility, they should overcome difficulties, remove obstacles, work hard, constantly blaze new trails, give no thought to gains or losses, offer selfless services, build up our party, and become a strong core leading the great cause of socialism.

### Official Details Ways To Improve Cadre System

OW1609143889 Beijing XINHUA in English  
1227 GMT 16 Sep 89

[Text] Beijing, September 16 (XINHUA)—More than 640,000 middle-aged and young people have become administrators above the county level since 1982.

Meanwhile, over 3.4 million older cadres retired during the same period.

The replacement of older cadres by younger people has become a regular practice, an official of the organizational department of the Chinese Communist Party Central Committee said.

To ensure the smooth development of this process, a total of 80,000 cadres in reserve have been prepared for posts above the county level and at the departmental level of the central bodies.

The average ages of provincial, prefectural and county leaders have been reduced from 62, 56 and 49 in 1982 to 54, 50 and 45 respectively. More than 60 percent of them have a college education background.

China began to streamline the Communist Party and government organs in 1982 with the focus on restructuring the leading bodies at various levels. The principle to guide the work is to make various leading bodies politically aware, younger and professionally competent.

Today, over 90 percent of leaders above the county level have been promoted since 1982.

Stipulations of the party constitution concerning terms of office of the cadres have been strictly implemented in many localities and departments and job responsibility system has been practised on a trial basis among many leaders of the bureau and section levels.

Meanwhile, unqualified cadres have been demoted or removed from their posts. According to incomplete

statistics, some three percent of the middle-aged and young cadres promoted to various posts since 1982 have been removed.

Other measures to improving the cadre system include enhancing public supervision on the performances of the cadres, introducing competitive elections, conducting public opinion polls and democratic appraisals.

All these measures, the official said, have helped change the situation whereby cadres can only be promoted and abolish the life-long tenure of office.

However, the official said that not all these measures have been well implemented in all places and more efforts should be made to legalize the new system.

#### Article Highlights Education in Marxist Theory

HK1709071689 Beijing LIAOWANG in Chinese  
No 36, 4 Sep 89, p 3

[Article by Wang Yanfeng (3769 1750 1496): "Strengthening Education in Marxist Theory Is a Long-Term Strategic Task"]

[Text] Marxism-Leninism-Mao Zedong Thought is the theoretical foundation that guides our thinking. In the course of studying the spirit of the party Central Committee's fourth plenum and Comrade Deng Xiaoping's important speeches so as to unify the thinking of the whole party and the whole people in our country, and in the course of conducting in-depth education in adhering to the four cardinal principle and opposing bourgeois liberalization, we should attach importance to and strengthen education in Marxist theory among party members, cadres, and young students. This is of special and great significance.

After the 3d Plenary Session of the 11th CPC Central Committee, the Chinese Communists represented by Comrade Deng Xiaoping, summed up the historical experience since the founding of the People's Republic, analyzed the international situation, combined the basic principles of Marxism with the concrete practice in China's socialist construction, put forward the theory on building socialism with Chinese characteristics, and formulated the party's basic line which can be crystalized into "one center and two basic points." All this enabled us to smoothly fulfill the first step of the "three-stage" economic development strategy. The strength of the nation has been markedly increased, and the livelihood of the people has been improved. However, because we did not attach importance to education in Marxism-Leninism-Mao Zedong Thought for a certain period and did not pay attention to the enhancement of the theoretical attainments of the whole party and party cadres, many errors occurred in our work. These errors were then used by the advocates of bourgeois liberalization as a pretext for attacking socialism. Both positive and negative experience told us that only by persistently arming the minds of our party members and cadres with Marxism-Leninism-Mao Zedong Thought can we really

adhere to the four cardinal principles, create a favorable opinion environment, and provide scientific theoretical guidance for reform and opening up, improvement and rectification, economic construction, and the building of socialist spiritual civilization, and thus advance our modernization cause.

In the period of the democratic revolution, Comrade Mao Zedong pointed out that if China has several hundred people versed in Marxism, then the process of revolution will be greatly speeded up. The spirit of this remark is still applicable to today's conditions. Our experience in the current stage shows that in China, there remains the struggle between socialism and capitalism. Before the superiority of the socialist system is fully manifested and before the productive forces in socialist society catch up with and exceed those in capitalist countries, the struggle between these two systems, between these two destinies, and between these two ideologies will not come to an end. If we are not proficient at or have little knowledge about Marxism-Leninism-Mao Zedong Thought, it will be hard for us to distinguish right from wrong and maintain the correct political orientation. In recent years, a great deal of chaos occurred in our social life. In particular, many people were involved in the recent social turmoil and the counterrevolutionary rebellion. All this showed the serious consequences when Marxism was attacked and bourgeois liberalization was instigated. We must bear in mind this profound lesson.

Strengthening education in Marxism-Leninism-Mao Zedong Thought is a need in the cause of socialist modernization. It is a brand-new creative cause to carry out modernization construction through reform and opening up in China, a country with vast territory, a large population, and backward economic and cultural conditions. Many new issues will appear in this great cause and will need to be seriously studied and correctly solved in theory under the guidance of Marxism-Leninism-Mao Zedong Thought.

First, the all-around reform which is being carried out in depth is a round of profound revolution through which the socialist system will effect self-development and self-improvement. Only with the guidance of Marxism-Leninism-Mao Zedong Thought can we clearly realize the national conditions, proceed from the reality, learn from all useful experiences in the world, and build a new socialist model with Chinese characteristics, thus achieving the objective of the reform as expected.

Second, the socialist economy should be a planned commodity economy based on public ownership. Only with the planning mechanism being properly combined with the market mechanism can we invigorate the enterprises and develop the national economy in a well-coordinated way. The establishment of the effective economic regulatory mechanisms which combine both the planning mechanism with the market mechanism

requires us to creatively apply Marxism to the practice, thus gradually solve this issue through painstaking efforts.

Third, the development of construction and reform will inevitably bring about certain new adjustments in people's interest relations. At present, some unfair phenomena in the distribution of social wealth have evoked strong resentments among the people. How should we correctly handle and adjust people's interest relations so as to maintain social stability, safeguard the reputation of reform, and further arouse the people's socialist enthusiasm? This requires us to further explore and create the conditions for people to achieve equal opportunities for getting rich under the premise of correctly understanding and maintaining the socialist principle of distribution according to work. We should overcome egalitarianism and should also prevent the appearance of a wide gap in people's income so as to maintain people's psychological balance.

Fourth, opening up to the outside world is a basic national policy that our party will maintain for a long time. However, in the course of opening up, decadent things in the capitalist world will inevitably make inroads into our country. In order to correctly implement the party's policy for opening up, we must master and use materialist dialectics of Marxism to correctly approach foreign things, distinguishing the useful experience suited to socialized mass production from the decadent things reflecting the capitalist ideology and the exploiting system. Only by absorbing the essence and discarding the dross can we promote the healthy development of our economy and our science and technology.

In order to train and bring up successors who will carry on our socialist and communist cause, we need to strengthen education in Marxism-Leninism-Mao Zedong Thought. The socialist and communist cause is oriented to the future, and the mission of fulfilling this cause in the future will be shouldered by the young people. In order to ensure that the leadership of the party and the state will always be held by Marxists and that the socialist cause will never abort halfway or deviate from the correct course, we must give Marxist education to young students and help them establish a scientific outlook on the world in line with Marxism. Therefore, our universities and colleges must be turned into strong positions for disseminating Marxism-Leninism-Mao Zedong Thought and for cultivating successors to the socialist cause.

In short, strengthening ideological education in Marxism-Leninism-Mao Zedong Thought among party members, cadres, and young students is a strategic task that has a bearing on the long-lasting stability of our country and the destiny of the party and the state. With our party members, cadres, and young people really have a good command of Marxism-Leninism-Mao Zedong Thought, our cause will get the guarantee for eventual victories.

### Students Warned Against Ignoring Politics

HK1709043089 Hong Kong TA KUNG PAO  
in Chinese 17 Sep 89 p 1

["Special dispatch": "Beijing Paper Warns Students Over Trend of Ignoring Politics in Colleges"]

[Text] Beijing, 16 Sep—Yesterday's BEIJING QINGNIAN BAO warned college students that their political attitude of holding "no discussions on current state affairs" is a negative. They are likely to blunder if they reject Marxism and only acquire knowledge of "X."

In a signed article published on its first page, the paper disclosed that some college students have posted the "motto" of "no discussions on current state affairs" in their bedrooms. Some students say "this is none of my business." While drawing a lesson from the disturbance, some say: Politics is too complicated. We swear we will keep a distance from it. Some parents exhort their children again and again: Pay more attention to learning rather than talking.

On the contrary, the article said, in recent years some students have regarded political courses as the "same old boring stuff" and regarded political education as "empty preaching and talk." They are bored with reading political books. Conversely, they regard the "Voice of America" as their daily "required course" and regard obtaining certain viewpoints of the ringleaders advocating bourgeois liberalization as the capital for showing themselves off. As a result, they drifted away from proletarian politics and threw themselves into the arms of bourgeois politics.

The paper also reported that the Beijing Aeronautical and Astronautical University took tough measures to enforce discipline and check the tendency of playing mahjong. The university severely punished 49 students who took part in playing mahjong and were involved in gambling. According to a decision made by the president's office, all 49 students received warnings and criticisms in light of the seriousness of their cases, their attitude toward the mistake, and their behavior. Of those punished, 30 were graduate students.

### Rules for Punishing Corrupt Officials Listed

OW1609185689 Beijing XINHUA Domestic Service  
in Chinese 1418 GMT 13 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 13 Sep (XINHUA)—On 8 September, the Ministry of Supervision promulgated the "Detailed Rules for the Implementation of Interim Provisions Governing Disciplinary Sanctions Against Corrupt Functionaries of State Administrative Organs." The following are excerpts from these rules:

Disciplinary sanctions against the embezzlement of public funds, which does not constitute a crime:



1. One who embezzles more than 5,000 yuan for a period of more than 3 months, but who repays the full amount plus interest before the case has been discovered, shall be removed from office or receive a penalty up to that of being discharged;
2. One who embezzles more than 3,000 yuan but less than 5,000 yuan and who fails to repay the amount after a period of more than 3 months, or who repays only the amount of money for profit-making, shall receive a record of serious offense or a penalty up to that of being removed from office;
3. One who embezzles less than 3,000 yuan and who fails to repay the amount after a period of more than 3 months, or who repays only the amount of money for profit-making, shall receive a record of committing an offense or a demotion penalty; and
4. One who embezzles public funds for personal use for a period of less than 3 months shall receive a penalty up to that of a record of serious offense; if the amount exceeds 5,000 yuan, he shall receive a record of serious offense or a penalty up to that of being removed from office.

One who embezzles public property for illegal personal activities, or who refuses to return the property after being discovered, shall be punished according to Rule No 4 of the "Interim Provisions."

One who embezzles public property for personal use shall receive a disciplinary sanction in accordance with the rules for embezzling public funds.

State administrative organ personnel who give bribes, or who serve as bribery middlemen, for illegal benefits but whose acts do not constitute a crime shall receive the following disciplinary sanctions:

1. One who has caused the state relatively great damage to interests by giving bribes or by serving as a bribery middleman shall be removed from office or receive the punishment of being discharged;
2. If the bribery involves more than 1,000 yuan, he shall receive a demotion or a penalty up to that of being removed from office;
3. If the bribery is in excess of 500 yuan but less than 1,000 yuan, he shall receive a record of serious offense or a penalty up to that of a demotion; and
4. If the bribery is less than 500 yuan, he shall receive a warning or a penalty up to that of a record of serious offense.

"Acts of harboring corruption or bribery" referred to in the "Interim Provisions" include:

1. Hiding or covering up facts of corruption or bribery perpetrated by another person;
2. Issuing counterfeit proofs or destroying evidence;
3. Hiding or relocating a bribe, in cash or in kind;
4. Acting without authorization to reduce or to exempt the penalty for personnel guilty of corruption or bribery;
5. Giving information to personnel guilty of corruption or bribery; and
6. Committing other acts of harboring offenses.

One who is responsible for harboring acts of corruption or bribery shall be warned, or given a penalty up to that of being removed from office or, if the cases or the consequences are serious, removed from office or given a penalty of being discharged.

If the objects of investigation are found to have committed one of the following, then administrative and supervisory organs may propose to their supervisory authorities to suspend their offices:

1. Those who are seriously suspected of having destroyed evidence or having relocated loot, in cash or in kind;
2. Those who use their power to obstruct, interfere with, or undermine the investigation of cases;
3. Those who attack or retaliate against informants, witnesses, or personnel handling cases; and
4. Those who have interfered with the investigation of cases and whose offices have to be suspended.

#### Statistics Cited on Minority Prosperity

OW1709123989 Beijing XINHUA in English  
0652 GMT 17 Sep 89

[Text] Beijing, September 17 (XINHUA)—In the past 40 years after the founding of New China, more than one million cadres of minority nationalities have been trained and promoted, according to statistics by the Nationalities Committee under the Standing Committee of the National People's Congress.

Among these cadres, 3,000 are now at or above the level of the department leadership and 45,000 are at the level of county or section leadership.

There are 55 ethnic groups in addition to the Han, the majority in China with a combined population of over 70 million, who scatter mainly in the vast border and mountain areas of the country.

The economy at the minority-inhabited areas has also developed rapidly. In 1988, the total social output value of the country's five minority autonomous regions, namely Inner Mongolia, Guangxi, Xinjiang, Tibet and Ningxia, reached 141.7 billion yuan (38.3 billion U.S. dollars) in 1988 [sentence as received]. Their total national income amounted to 77.8 billion yuan while their per-capita annual income grew to 951 yuan.

Besides, the education and culture has also quickly developed in the minority inhabited areas. There are now 130,000 university undergraduates and graduates of minority nationalities, four times that of 1978. The numbers of middle-school students and primary-school pupils in the areas are now 3.073 million and 10.51 million respectively, which are 21.1 percent and 39.8 percent more than that of 1978 respectively.

On the other hand, the people of the minority nationalities in China have made great contributions to the construction of the country. Between 1980 and 1987 they presented to state 174 million head of sheep, 18.25 million head of cattle, 163 million pigs, one million tons

of wool, 137 million cubic meters of timber, 16.22 million tons of steel, 570 million tons of coal, 58 million tons of crude oil and 242.5 million kilowatts of electricity together with large amount of rubber, sugar, tea, herbal medicines, tobacco, non-ferrous metals and native products.

Thanks to the Chinese Communist Party's policies that all the nationalities are equal and should unite, the relations between the nationalities in China have been greatly improved. This has helped promote the equality and unity among the nationalities.

### Science & Technology

#### Remote Sensing Technology Proves Utility

*OW2509132689 Beijing XINHUA in English  
1133 GMT 25 Sep 89*

[Text] Beijing, September 25 (XINHUA)—Chinese scientists have developed a number of highly sophisticated airborne remote sensing technologies which are now being widely used in resource survey and environmental monitoring.

In the past three years, over 1,200 Chinese scientists from about 50 research institutes of the Chinese Academy of Sciences (CAS), the Ministry of Water Conservancy, the Ministry of Forestry, and universities, have taken part in the remote sensing technology project, one of the key state scientific projects during the period of the Seventh Five-Year Plan (1986-1990).

According to Professor Yang Sheng, deputy director of CAS's Bureau of Resources and Environment, the Shanghai Institute of Technical Physics has built China's first high altitude airborne remote sensing system, which is believed to be state of the art.

The Chinese scientists have also developed a disaster detection system, which is capable of spotting a tiny forest fire at an altitude of 6,000 meters and transmitting a real-time picture of the fire to a distance as far as 200 kilometers away.

A high-resolution infrared spectrometer also developed by the Shanghai Institute of Technical Physics has been successfully used in the exploration of gold and natural gas in China's northwestern Xinjiang Uygur Autonomous Region.

Researchers from Beijing University have used remote-sensing data to estimate the output of winter wheat. Scientists from the Lanzhou Glaciology Institute of CAS have developed an ice and snow information system, carried by meteorological satellite to monitor the coverage of ice and snow in the upper reaches of the Yellow River.

#### Researchers Honored for Outstanding Achievements

*OW2209123189 Beijing XINHUA in English  
1111 GMT 22 Sep 89*

[Text] Beijing, September 22 (XINHUA)—Sixty-five young and middle-aged researchers from the Chinese Academy of Sciences (CAS) recently received national citations for their prominent contributions to the development of China's science and technology.

According to an official from CAS, the research achievements, displaying high academic competence, have practical applications, and some of them have already played important roles in the nation's economic and national defense construction.

Professor He Guozhong, for example, a researcher at the Dalian Institute of Chemical Physics, has undertaken research into rocket propellant combustion and laser devices since the 1960s. His recent research into molecular energy was highly praised by Professor Yuan-tseh Lee, a nobel-prize winning Chinese-American.

Another researcher, Chen Guofu, from the Xian Institute of Optics and Fine Mechanics, set a new world record by manufacturing a new kind of chemical laser device which can generate ultrashort light pulses.

Professor Shi Yulin, a research fellow at the academy's Natural Resources Committee, designed a comprehensive map of China's soil, land and resources which has been proved to be valuable in drawing up a blueprint for the nation's agricultural development.

Research fellow Zhang Xinshi of CAS' Institute of Botany, who proposed the zonation theory of vegetation on the Qinghai-Tibet Plateau and carried out research into quantitative explanation of vegetational ecology in recent years, has established China's first analysis and management laboratory of vegetational ecology.

Professor Ye Zhaohui of the Wuhan Institute of Physics helped establish China's first national open laboratory of spectrum and atom-molecule physics, which has now become an important center for spectrum research in the country. And the institute's spectrum products have become competitive on the international market, a CAS official said.

#### Space Industry's Growth, Achievements Listed

*OW2209070389 Beijing XINHUA Domestic Service  
in Chinese 1302 GMT 21 Sep 89*

[By reporter Li Anding (2621 1344 1353); Local Broadcast News Service]

[Text] Beijing, 21 Sep (XINHUA)—China's young astronautics industry rivals that of the world's advanced countries.

China has successfully launched 25 man-made satellites, including those for conducting scientific and technical experiments, land surveys, and telecommunications

broadcasts, as well as for collecting meteorological information. China has also successfully developed and launched five types of carrier rockets, including the Hurricane No. 1 and Long March Nos. 1-4.

The many kinds of missiles China has developed have enhanced the nation's defense. China has produced short-range, intermediate-range, long-range, and inter-continental-range missiles. Some missiles are land-based, while others are launched by submarines. The initially strategic missile system, with missiles of all ranges that can be launched by various means, has given China the capability to carry out nuclear retaliation. China has also established a system under which the nation's airspace and territorial waters are defended by tactical missiles. It has also achieved a breakthrough in the development of tactical, surface-to-surface missiles.

In astronautical technology, China is the third country to have mastered the technology of satellite recovery and the launching of rockets with low-temperature fuels. It has set a record of recovering all 11 satellites without a failure. The nation also ranks among the world's advanced countries in the utilization of satellite survey-control technology [wei xing ce kong ji shu 5895 2501 3261 2235 2111 2611] and the launching of geosynchronous satellites.

Since the development of its astronautical technology, China has started to sell its know-how on the international market and worked with a number of industrially advanced countries in launching postal satellites and synchronous satellites with Chinese-made rockets.

## Military

### Yang Shangkun Article Praises Defense Industry

HK2209154189 Beijing RENMIN RIBAO  
in Chinese 20 Sep 89 p 2

[Article by Yang Shangkun: "A Highly Promising Undertaking—Preface to the Book 'Retrospect and Prospect—National Defense Science, Technology, and Industry of New China'"]

[Text] A book entitled "Retrospect and Prospect—National Defense Science, Technology, and Industry of New China" has been published at a time when the whole nation is making preparations for jubilant celebrations of the 40th founding anniversary of the PRC. This is quite a significant event.

Over the last 40 years under the leadership of the party Central Committee, the State Council, and the Central Military Commission and with the enthusiastic and close cooperation of all the relevant departments throughout the country, China has scored proud achievements in national defense science, technology, and industry along the path of self-reliance and hard struggle by overcoming the difficulties resulting from the country's economic and technological backwardness. These achievements

greatly increased China's national defense capacity, demonstrated the prowess of our country and armed forces, and enhanced our international prestige. At the same time we have built a basically full set of national defense scientific research and production systems, and trained a number of scientific research personnel with a high technological level and fine work style, thus laying an important material and technological basis for the development of China's national defense science and technology as well as its weapons. In particular, we have fostered the noble spirit of enduring hardship and selfless devotion; formed the fine tradition of quietly engaging in hard work, unity, cooperation, and willingness to remain unknown heroes; and gained effective experience. At a time when socialist modernization is advancing, particularly when the counterrevolutionary rebellion has been put down, we should soberly consider the past and future. I deem it necessary to stress the following: The achievements made by the older generation through hard struggle should not be forgotten; noble spirit and fine traditions should not be discarded but instead be developed and handed down from generation to generation; and past experiences should be summed up in light of the new situation. This is our purpose in "reviewing" the past.

The development of national defense science and technology as well as weapons and equipment is an important indication of a country's comprehensive strength and an important component of its national defense modernization. The Chinese Armed Forces have witnessed great development in their weapons and equipment thanks to the unremitting efforts of comrades both in and out of uniform on the front lines of national defense science, technology, and industry. However, these are still backward if compared with developed countries. In particular, we are facing a severe challenge at a time when the new technological revolution is swiftly advancing. But we should understand that it is possible for us to strive for a comparatively long-lasting peaceful international environment. Apart from this, the Central Committee's policy of reform and opening up to the world has provided us with a development opportunity. Our national defense science, technology, and industry should be able to cope with the strategic change in the guiding principles for army building in the new period. In other words, it should cater to the needs of national defense construction and national economic development. It is necessary to conscientiously implement the line, policies, and principles laid down since the 3d Plenary Session of the 11th CPC Central Committee, to persist in the one central task and two basic points, to improve the economic environment and rectify the economic order, to overcome all difficulties, to shorten our front and give prominence to key points, to strengthen our scientific research, and to build our stamina. This will enable us to follow the development trend of national defense science, technology, and industry and will help our country maintain a certain position in the high tech field. No matter how big the storm may be, there are bright prospects for our country,



our armed forces, and our national defense science, technology, and industry. We are full confidence in this. These are our "prospects."

I greet the publication and distribution of the book "Retrospect and Prospect—National Defense Science, Technology, and Industry of New China." I believe that like myself, its readers will absorb strength and gain educational benefit from this book.

### **Navy Develops Airborne Units Capability**

HK2509123789 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0631 GMT 20 Sep 89

[Article by Guo Zhiyun (6753 0037 0336): "With Mighty Strength, Chinese Navy Airborne Units Defend 10,000-li Coastal Line"]

[Text] Beijing, 20 September (ZHONGGUO XINWEN SHE)—As one of the most important shock forces of the Chinese Navy, airborne units have been developing steadily and gradually heading toward modernization over the past decades. Today, Chinese Navy airborne units have already become one of the effective combat forces defending China's 10,000-li coastline.

The Chinese Navy airborne units were first established in the early 1950s. Today, the various fleets of the Chinese Navy have their own airborne units and flying divisions, regiments, groups, and squadrons and have established a comprehensive combat system. The airborne units have also built a series of airfields and logistic supply bases in both the hinterland and coastal areas and established comprehensive, stable, standard, and strict pilot training and flight-grading systems. Over the past years Chinese Navy airborne units have trained a group of highly competent first-grade and special-grade pilots who can carry out minimum altitude flying, which demands special skills, and fly their planes within 30 m above the sea to accomplish such tasks as launching surprise attacks at targets and wiping out targets. This demands high skills of a high world standard.

The airborne units now possess both Chinese-made and foreign-made fighter planes, ground attack planes, bombers, reconnaissance planes, training planes, and transport planes. They also have sophisticated hydroplanes, antisubmarine planes, anti-ship-based-missile bombing planes, sea patrol planes, ship-based helicopters, and a variety of navy-oriented military planes, including a new-type bomber capable of launching missiles from warships outside the range of enemy warships. The airborne units of the Chinese Navy have indeed played an irreplaceable role in accomplishing such tasks as air defense, air assault, air cover, air reconnaissance, submarine search, rescue, mine-laying, in-flight vertical supply, and so on in the middle sea and the near sea. The number of planes owned by the airborne units ranks behind only the U.S. and Soviet Navies and thus ranks third in the world.

Over the past few decades the airborne units have participated in more than 300 battles, including the sea battle near eastern Zhejiang Province and the three-dimensional battle to liberate Yijiangshan Island, which involved the PLA Army, Navy, and Air Force, the first of its kind in China's military history. Both of these took place in the 1950s. The units also took part in the air defense battle on Hainan Island in the 1960s and brought down and damaged more than 350 enemy planes. Over the past several decades the airborne units have dispatched their planes on over 10,000 missions and successfully accomplished such tasks as extinguishing the Daxinganling fire and the Huangdao fire in Qingdao, participating in the development of northwest China, conducting mineral resource surveys in northwest China, searching for big gold mines and petroleum resources in China, building a scientific survey station at the South Pole, and assisting the mountaineering team formed by Chinese, Japanese, and Nepalese mountaineers to climb Qomolangma, the first attempt ever made by mankind.

In recent years, on the basis of accomplishing such difficult training tasks as coordinating in-flight actions with the actions of warships, the airborne units have secured the successful trial launches of the land-based and sea-based China-made carrier rockets in the Pacific Ocean and accomplished the task of taking off from a territorial base, flying over the first island group in the Pacific Ocean, and coordinating with an oceangoing fleet in comprehensive military maneuvers. With the growing importance of the airborne units of the Chinese Navy, in the future, while further raising its training standard, the Chinese Navy will certainly make greater efforts to develop its missile-carrying attack planes, fighter bombers, and various other navy-oriented military planes. Moreover, the Chinese Navy will also try to develop sophisticated specialized planes capable of sounding the alarm in advance and carrying out in-flight refueling and electronic confrontation in order to build its airborne units into units with salient Chinese characteristics.

### **Fighters Land Successfully on Highway-Airport**

OW2409014789 Beijing XINHUA Domestic Service  
in Chinese 1310 GMT 23 Sep 89

[By correspondents Lu Donghao (0712 2639 3185) and Mu Shuqian (4476 2885 051): "Local Broadcast News Service"]

[Text] Shenyang, 23 Sep (XINHUA)—Aircraft of the People's Air Force have successfully landed on a highway-airport for the first time.

This morning three new high-altitude, high-speed fighter planes manufactured in China and an Il-14 transport plane landed on a runway that is an expanded section of highway—the Shenyang-Dalian Highway in Liaoning—the first of its kind in China. They then whisked aloft again. This was the first time in China that a highway-airport only half as wide as the runway of a military

airport was used for single plane landings and for take-offs by a formation of three planes. According to aviation experts, by reconstructing an express highway into a combat-ready highway capable of two functions, it can be turned into a runway for aircraft landings and takeoffs during wartime while serving ground traffic in peacetime. In this way, national defense construction and national economic construction are combined and large amounts of funds can be saved.

The success of the trial flights has provided the experience for China to know how to construct its first and second class express highways in such a way in the future that they can be expanded into highway-airports.

### Official Briefing Outlines Training Reforms

HK2309044089 Beijing RENMIN RIBAO in Chinese  
14 Sep 89 p 2

[XINHUA report: "To Boost Troop Combat Power, Our Army Has Launched Reform in Training: An All-round Adjustment in Areas Such as Programs, Systems, Methods, Protection and Management"]

[Text] Beijing, 13 Sep (XINHUA)—The People's Liberation Army is advancing amidst reforms in military training. It has scored outstanding results in areas such as training programs, systems, methods, protection and management and effectively increased the combat power of its troops.

According to a briefing by General Staff Headquarters, the Central Military Commission has always attached a high degree of importance to military training, viewing it as an important, integral part in the modernization drive to revolutionize and regularize our Army and as the center of peacetime work in the Army. Over the last 10 years, with the goal of uplifting its combat power, and adapting to the major trend of reform of the country and the military, our Army has vigorously launched reforms in training based on the characteristics and exigencies of modern warfare.

—Reforms in training programs to improve troops' overall combat power. The Army units have adjusted the training structure at four different levels: individual soldiers, elements, integrated tactics and battle training. The Navy has divided the training program to cover four different areas: individual personnel training, single-ship training, unit arrangement training and integrated training, and into three kinds: training for officer rank, for noncommissioned officers, and for soldiers. The Air Force and the Second Artillery Unit have expanded the scope of tactical training.

—Reforms in training systems in an effort to improve training results on the troops. The Army has improved further still the soldier training organizations; the Navy has constructed a new training base (the regiment) for marine soldiers and new soldiers of professional and technical corps in Army logistics units, and

set up a boat training center. The Air Force has tentatively formulated a three-level training system called "flying academy—reconstructed base—combat troops," and set up a special training organ for the training of technical soldier corps. The No. 2 Artillery Troop has conducted, in its combat units, experiments to find out the possibility of organizing a special training organ for new recruits.

—Reform training methods to raise troop training standards. A synchronized training plan has been set up from companies through divisions, which regularizes training programs at various levels. The training program, which is aimed at coordinating various training methods, supplemented with an integrated training of various arms of the services, and characterized by verifiable and combative drills, has begun to catch on.

—Improve training hardware in an attempt to raise the standards of modernized training. Based on our own research, our Army has manufactured a large amount of advanced facilities of simulation. Lasers and training equipment such as the electronic device which simulates live battles have expanded to include ground, air and sea battle situations. Electronic and chemical warfare is now an important element in our military training, and standardization has been practiced in training budgets, equipment and ammunition.

—Reform training management and establish a regular training order, strengthen training rules and regulations and the building of systems, which is to be coordinated and supported by various statutes, ordinances, outlines and teaching materials, and other training regulations and systems aimed at providing evaluation criteria. The launching of an experimental regular training program will be a good test for building a regularized training order and a scientific training mode. Exploiting the experiences in modern management, we have conducted a series of experiments which include target management, goal-oriented training and the introduction of the mechanism of competition.

### Economic & Agricultural

#### Officials Calculate Lost Tourism Earnings

HK1909005489 Beijing CHINA DAILY in English  
19 Sep 89 p 1

[By staff reporter Ma Lixin]

[Text] Although tourism in China has begun a slow recovery since August, officials estimate the country will still earn \$1.3 billion less from tourist services this year than it did last.

Furthermore, as tourist operators have completed their contracts for next year, it is unlikely that tourism will completely recover until 1991, tourism officials say.

Liu Yi, head of the National Tourism Administration, said yesterday [18 September] that the tourism industry has been "most severely effected" by the unrest of the past months and is expected to suffer its "worst economic setback" this year.

Last March, the National Tourism Administration had set a target of \$2.6 billion in tourist income for this year.

Currently China's tourism "is in a very serious plight," Liu said, but he added that he is confident tourism will recover in the near future and said that authorities are making every effort possible to shorten the recovery time.

Tourism expanded dramatically in the past 10 years since the country adopted the policy of opening to the outside world. The number of overseas visitors increased by an average 33.1 per cent a year in the past decade, and foreign currency earnings from tourism rose an average 24.1 per cent a year.

In 1988, about 31.69 million overseas tourists visited China, bringing the country \$2.247 billion in income, which was 8.5 times more than 10 years before.

But after the 10-year boom, tourism in China collapsed last June. However, Liu said that he hopes it will pick up quickly.

He predicted that it will probably take two years for tourism in China to recover fully. That is, by 1991 the country's tourism will recover to the level reached in 1988.

At the annual meeting of the China Tourism Association last week in Beijing, Liu urged people working in the country's tourism trade to carry out three major tasks for the remaining part of the year.

The first task is to promote the China tour market.

The second is to use this comparatively slack period to train tourist personnel. Meanwhile, the government will consolidate the country's tourist agencies and may soon propose a new, nationwide management system to upgrade the quality of service.

The third task is to study the issue of developing a kind of tourism with uniquely Chinese characteristics.

### Exports Increase 2.8 Percent Through August

HK1909005689 Beijing CHINA DAILY in English  
19 Sep 89 p 2

[By our staff reporter]

[Text] China exported goods worth \$27.5 billion in the first eight months of this year, 2.8 percent more than the same period in 1988, according to the Ministry of Foreign Economic Relations and Trade (Mofert).

Mofert figures on imports were not immediately available.

According to the General Administration of Customs, in the same period imports rose to \$38.3 billion, up by 22.2 percent.

Customs officials said this put the trade deficit at \$6.85 billion.

The two agencies' figures generally differ due to different calculating methods.

Mofert officials expressed concern over the state of China's exports.

One official characterized the marginal increase in overall exports as "uneasy." The national drive to increase exports has been plagued by domestic price hikes, rising production costs and shortages of credit and export goods.

After an 8.1 percent fall in the first quarter of this year, China's exports started to rise again in May.

Thanks to efforts by central government and provincial authorities, exports have increased each month since then.

Most parts of the country have reported increases in exports, according to Mofert officials.

In Beijing, goods worth \$744 million were exported in the first eight months of this year, 81.5 percent of the city's annual export target and 3.9 percent over the same period last year.

The city exported \$119 million worth of goods in August. This was the largest monthly export figure ever in Beijing.

Nationally, exports of tobacco, coal, tinned food, rabbit wool, paper, frozen pork, steel and tools were up. Meanwhile, exports of rice, beans, cotton, yarn, silkworm cocoons and crude and refined oil decreased.

Foreign-funded firms in China exported goods worth \$1.85 billion, doubling the figure for last year.

The General Administration of Customs puts China's total imports and exports through customs in the first eight months at \$69.76 billion.

Mofert officials described the current situation for Chinese exports as "grim."

"Our task in the future is arduous and we must not be blindly optimistic," said one official.

The declining quality of some export goods, poor faith in implementing contracts and difficulties securing new export contracts are serious problems hindering foreign trade.



### Trade Official Views Export Channel Management

HK1709062089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0800 GMT 12 Sep 89

[Report: "Yu Boge, a China Trade Official in Hong Kong, Calls for Strengthening the Management of the Channels for Exporting Textiles to Hong Kong"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 12 Sep (ZHONGGUO XINWEN SHE)—After the ebb in 1988, Mainland China's textile exports to Hong Kong obviously increased again in the first half of 1989. However, the mainland's foreign trade channels were chaotic; prices were irregular; and there was intense competition between different export units. This made it hard for both exporters in China and importers in Hong Kong to make profits.

China Resources Textiles Co. Ltd. is the general agent of China National Textiles Import and Export Corporation in Hong Kong. Yu Boge, the general manager of China Resources Textiles, told ZHONGGUO XINWEN SHE in an interview that it is now urgently necessary to strengthen the management over foreign trade channels. The existence of various export channels will only result in disrupting the market order and eventually cause losses to the state. He said: According to the Hong Kong government's statistics, the total value of textile goods exported from the mainland to Hong Kong in the first half of this year reached HK\$25.87 billion, increasing by 34 percent over the same period of last year. The proportion of mainland textile goods in the local market also slightly increased. However, the goods exported to Hong Kong through various channels beyond the control of the central authorities increased markedly. Even a large proportion of the major goods under centralized control through export licenses was also exported through other channels. For example, in the first half of 1988, 62,000 batches (400 pounds per batch) of cotton yarn were exported to Hong Kong through channels beyond the state's centralized control, accounting for 15 percent of the total quantity of cotton yarn exported from the mainland to Hong Kong; however, in the first half of 1989, such goods increased to 136,000 batches and accounted for 31 percent. In addition, the goods exported through other channels were irregularly priced, and this affected the normal price and sale on the local market.

The sharp increase in the goods exported through other channels was mainly attributed to the loopholes in the export management system and the coexistence of two different foreign exchange rate systems. Yu Boge said: According to the state's official rate, one U.S. dollar is converted to about 3.7 yuan; however, in some localities, the exchange rate in the foreign exchange centers is one U.S. dollar against 6 to 7 yuan. The unofficial exchange rate thus creates a condition for purchasing the export goods at a higher price in renminbi and exporting the goods at a lower price in foreign currency as compared with the official export channel. This has not only

disrupted the order in the domestic market, but has also forced down the export prices of some textile goods to a lower and lower level. For example, flax yarn and yarn mixed with cotton and flax account for over 90 percent of the total import in Hong Kong. The Chinese goods should have no competition rival on this item. However, due to the disorderly export channels and the fierce competition between various exporters, the price on the local market has fallen sharply in the past few years. Even the local importers suffered losses as the price fluctuated wildly. At present, the existing wholesale channels in Hong Kong are facing serious difficulties.

Yu Boge said: At present, foreign trade in China is being changed from a complete state monopoly to a certain degree of free competition, and this is just opposite to the trend of international trade where free competition is being replaced with monopoly. He said that under socialist public ownership, it is not proper to introduce free competition in foreign trade, because the state will have to bear both profits and losses and it is hard to really regulate the practice of the dealers.

Yu Boge said: In the past few months, the export of major textile goods from the mainland to Hong Kong did not decrease. However, because cotton on the mainland was in short supply, the quality of export goods became inferior. In particular, more and more problems appeared in the quality of semi-finished products.

He said: In the second half of this year, there will still be a substantial demand in Hong Kong's textile goods market. In particular, from September to the year-end, there will be the peak period for the sale of textile goods. Yarn, fabrics, and other semi-finished products will hold the main position on the market. Whether the export management in China can be effectively strengthened and the quality problems can be rapidly solved will become the key to the development of textile exports from China to Hong Kong.

### Authorities Strengthen Foreign Trade Management

HK1809084889 Hong Kong TA KUNG PAO  
in Chinese 18 Sep 89 p 2

["Special dispatch": "The Central Authorities Take Measures To Strengthen Foreign Trade Management"]

[Text] Beijing, 17 Sep—The relevant department has disclosed that the state will take three measures to strengthen foreign trade management.

—A license management bureau under the Ministry of Foreign Economic Relations and Trade will be set up to exercise management over export licenses. A license will apply to one batch of export commodities only. This will eliminate shortcomings arising from the existing practice of applying one license to several batches of goods.

—Special representative offices will be formed in provinces to strengthen management and supervision over local economic and trade departments and to carry out coordination between them.

—Limitations will be imposed on the exports of important and undersupplied commodities and materials, and uniform management will be introduced for the sales of certain commodities and materials. Certain portions of profits will be returned to the sources of commodities to prevent localities from arbitrarily increasing the prices of undersupplied commodities on the one hand and to stop the habit of lowering prices of export goods for competition on the other.

## **Inflation Slows; Prices Remain High**

### **Austerity Program Cited**

OW1709152789 Beijing XINHUA in English  
1049 GMT 17 Sep 89

[Text] Beijing, September 17 (XINHUA)—August saw the lowest price increase this year with its growth rate 4.2 percent less than the previous month, according to the State Statistical Bureau here today.

A bureau official said that the living expense price index in 35 large and medium-sized cities climbed by 12.9 percent last month compared with the same month of last year.

However, the index in July was 17.1 percent higher than the figure of the same period last year.

Economists attributed the initial success in price control to the nationwide austerity program launched one year ago and the less effect of last year's price hike.

Price control is one of the priorities in government agenda this year. The retail price index was 18.5 percent last year and 25.5 percent in the first half of this year.

Vice-Premier Yao Yilin predicted that the price increase will be lower in the latter half of this year than the first half. But it will be very difficult to control the price so successfully that it will be noticeably lower this year than last year.

China raised prices on railway, waterway and civil aviation services from September 5.

Officials from the State Administration of Commodity Prices said that the measure will not impose a big impact on general price hike this year because it makes a small proportion.

### **Labor Force Grows**

OW1709140189 Beijing XINHUA in English  
1312 GMT 17 Sep 89

[Text] Beijing, September 17 (XINHUA)—The State Statistical Bureau reported that the national work force in July totalled 135.11 million, 2.4 percent more than the same month a year before, according to today's "CHINA DAILY".

While the general retail prices in July were 19 percent higher than the same month a year before and the cost of living was 19.4 percent higher. [sentence as received]

State-owned businesses employed 99.28 million people, a rise of 2.9 percent over the previous July. Collectively-owned businesses in both rural and urban areas employed 34.75 million people, up 0.3 percent, while 1.08 million worked in other types of businesses, up 36.5 percent.

In state-owned businesses, regularly employed workers registered an increase of 0.3 percent to 75.46 million people, while contract workers accounted for 10.51 million, up 36.6 percent.

In July, the total wagebill paid to the nation's labour force climbed 13 percent to 20.5 billion yuan, according to the bureau's figures.

Breaking down the wages paid according to types of businesses and organizations showed that state-owned units paid out 15.96 billion yuan, up 12.6 percent over the same month in the previous year; collectively-owned businesses paid 4.24 billion yuan, up 12.6 percent; and businesses under other forms of ownership paid out 246.96 million yuan, showing a sharp increase of 67.4 percent, according to the paper.

## **Steel Output Increases; Energy Supply Improves**

HK1809081589 Beijing CHINA DAILY in English  
18 Sep 89 p 2

[By staff reporter Xie Songxin]

[Text] With an average daily output of 170,200 tons of steel last month, China's iron and steel industry is expected to beat last year's record of 59.43 million tons, according to the Ministry of Metallurgical Industry.

Steel output, which suffered an 800,000-ton production reduction during the first half of this year, is now steadily picking up. The drop was caused chiefly during the first quarter of the year when energy raw materials and cash were in short supply.

By August, the industry still had a deficit of 320,000 tons of steel, or 0.8 percent less than the same period last year, although the total output reached 39.28 million tons.

However, Chinese steel plants managed to turn out a total of 5.78 million tons of steel in August, a 10.8 percent increase over the same period last year. And August's daily steel output was second only to April's 170,400 tons.

"If the industry keeps producing at this level, there is little doubt that it will fulfill the annual target of 59 million tons and it will possibly exceed last year's output," Dong Yizhen, a director with the ministry, told CHINA DAILY.

More encouragingly, Dong said steel makers were swinging into full production as energy supply has begun to improve.

About 600,000 tons of coal has been stocked at steel plants around the country. And the supply continues to increase.

The central government has been helping get industry out of difficulties, which are the most serious to have faced the industry in 10 years, Dong said. The government has called on the nation to give a helping hand to iron and steel industry to remove obstacles in transportation, raw materials and energy.

"These measures have begun to take effect," Dong said.

Steel makers were also called on to save as much energy as possible, which seemed to be an effective way amid difficulties.

However, Dong and other officials in the ministry were not confident that the industry could beat the ambitious target of 60 million tons this year because they could not predict the amount of energy the industry could be supplied with during the coming fourth quarter. Winter coal shortage is usually the most acute when much of the energy is used for heating in north and northeast China.

Even if China's steel industry can produce 60 million tons, this year's increase will be only 570,000 tons, the lowest in recent years. The industry had kept increasing by more than 3 million tons in the previous years.

Meanwhile, XINHUA reported that China produced 31.22 million tons of rolled steel from January to August, and last month saw 4.23 million tons of rolled steel turned out, which was nearly 10 percent more than that by August last year.

#### **Steel Output Ranks Fourth Worldwide**

HK1809065989 Beijing RENMIN RIBAO in Chinese  
11 Sep 89 p 1

[XINHUA report from Beijing by correspondent Sun Jie (1327 2638): "China Has Turned out 1.7 Billion Tons of Iron and Steel Over Past 40 Years; Its Steel Output Ranks Fourth in the World"]

[Text] By the end of last August, New China had accumulatively turned out 1.7 billion tons of iron and steel. This iron and steel have equipped our country's national defense and provided a solid material foundation for the development of the national economy. Through 4 decades of development, our country's iron and steel output has ranked 4th in the world from 26th just after the founding of the PRC.

New China's iron and steel industry has developed from the ruins where a scene of devastation had met the eye everywhere. In 1949 the nation's steel output was just 158,000 tons. Thanks to the selfless work of China's iron and steel workers of the first generation, in 1952 it rose

to 1.35 million tons. In the following period of more than 20 years, and by 1976, due to various reasons, steel output just amounted to 20 million tons or more.

The 10 years of reform and opening up to the outside world are the most brilliant chapter in the history of our country's iron and steel industry. During the period, the industry's output value and steel output increased at an average rate of about 7 percent, but the growth rates of the profits and taxes it produced were about 100 percent higher than those of output value and output. Steel output increased from 31.78 million tons to 59.22 million, or a net gain of 27.44 million tons.

#### **Oil, Gas Found in East Sea, Tarim Pendi**

OW2109102489 Beijing XINHUA Domestic Service  
in Chinese 1411 GMT 9 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 9 Sep (XINHUA)—The Ministry of Geology and Mineral Resources recently made new and important discoveries and breakthroughs one after another in oil and gas geological prospecting in the East Sea region and in areas north of Tarim Pendi, Xinjiang.

As of now, 18 prospecting wells have been drilled in the East Sea, 8 of which have been found to have oil and gas. These new achievements further show that there are rich oil-gas deposits in the East Sea and serve as an important scientific support for early development of oil and gas in the East Sea. In areas north of Tarim Pendi, three wells of the ministry this year again yielded large quantities of oil and gas for industrial use, and more oil-rich zones and structures have been found. At present it is shown that the A-ke-ku-le [7093 0344 1655 0519] structures will become another important oil-rich zone. This holds great promise for locating large oilfields in areas north of Tarim Pendi.

#### **Construction Minister Outlines Major Tasks**

HK1809090489 Beijing RENMIN RIBAO in Chinese  
12 Sep 89 p 2

[Report by XINHUA correspondents Xu Yaozhong (1776 5069 0022) and Li Anding (2621 1344 1353): "Construction Minister Lin Hanxiong on Major Tasks of the Ministry of Construction"]

[Text] Beijing, 10 September (XINHUA)—"One should live in peace before he can work in contentment." Interviewed by these reporters on the eve of the National Day, Construction Minister Lin Hanxiong said: "Doing three solid things which are closely linked to the people's well-being in an earnest and down-to-earth manner has been listed as the priority in the current work and the main targets of endeavor of the Ministry of Construction. They include solving the problem of city dwellers finding it difficult to have houses in which to live, further carrying out the reform of the housing system,



and strengthening the construction of municipal works and public infrastructural facilities. [no close quotation mark given]

Lin Hanxiong pointed out: Currently the housing-deficient households in cities constitute one-fourth of the nation's total. The number of households with exceptionally great housing difficulties, whose members have on the average less than two square meters of housing space each, amounts to 2 million; and, moreover, of these people, most are workers, teachers, and employees in service industries. Moreover, as the result of the marriage and child-bearing peaks which have emerged in the last few years, the urban population has grown too drastically. Every year 16 million households need new houses in which to live. While the problem of food and clothing has been basically solved, the strained housing problems are all the more becoming pronounced. Now the Ministry of Construction has set up corresponding organizations and paid close attention to the construction of housing badly needed by the people, with the priority on solving the problem of the households with exceptionally great housing difficulties, while curtailing capital construction in an orderly manner with certain objectives in mind, in particular, the construction of office buildings, auditoriums, restaurants, and hotels. In terms of the real situation in the last few years, the funds for apartment buildings in our country come mainly from localities and enterprises.

Through many years of explorations, especially after a selected number of cities began to carry it out in an overall manner last year, the reform of the housing system has been well received by more and more residents. At the same time, we have also accumulated and created some new experiences. Lin Hanxiong said: Housing reform was suggested by Comrade Deng Xiaoping as early as 1980. Reforming the housing system has many advantages: It will help achieve a benign cycle in housing funding, invigorate the real estate industry, readjust consumption patterns and the product mix, and alleviate strained housing problems. However, this minister pointed out with regret: In the last few years, housing reform has progressed slowly. The people have many complaints about this state of affairs. As he sees it, the pressing task of the moment is to create a sound and smooth environment for housing reform, advocate and allow housing commercialization, and continue to work out propositions for the reform of the housing system on the basis of carrying out experiments and summing up experience in this regard.

Strengthening municipal works and public infrastructural facilities in cities has been slated as one priority of the present work of the Ministry of Construction. Lin Hanxiong made some positive suggestions, such as pursuing a policy of tilting [qing xie 0282 2428] to the urban infrastructure industry and putting an end to the situation in which the price system of public utilities is twisted.

### Labor Minister Discusses Unemployment

HK1809084289 Hong Kong WEN WEI PO  
in Chinese 18 Sep 89 p 1

["Special dispatch" from a WEN WEI PO reporter in Beijing: "Ruan Chongwu Talks About Stern Employment Situation on the Mainland"]

[Text] Beijing, 17 Sep (WEN WEI PO)—China is confronted with a severe situation in labor employment. Ruan Chongwu, minister of labor, disclosed here a few days ago that 10 million people of the population in the cities and towns will require employment this year, but society can provide only 5 million jobs.

Such a severe situation will continue until 1994 at least. The main reason for this situation is that there were more than 20 million births a year between 1970 and 1975. In other words, over 120 million people will require employment between this year and 1994.

Moreover, the policy of economic curtailment will make the problem of difficulties in getting jobs more pressing. A fairly large number of peasants who had gone to work in cities and towns have returned to rural areas, but the localities were unable to provide them with "rice bowls."

While Ruan Chongwu was dealing with solving the employment problem, he said that in the period of improvement and rectification over the past few years, as the original main channel for making arrangements for employment, the units under ownership by the whole people will not increase too many chances for employment. Nevertheless, it is necessary to develop the collective and individual economy, the tertiary industry, and the trades with little investment and rapid results to handle personnel settlement and to open up all kinds of channels to increase the chances for employment.

### Public Bidding Praised for Import Reduction

OW1809035989 Beijing XINHUA in English  
1451 GMT 16 Sep 89

[Text] Beijing, September 16 (XINHUA)—Unnecessary imports have been avoided since China started public bidding for manufacturing machinery and electrical facilities at home four years ago.

A total of 200 million U.S. dollars has been saved thanks to domestic bidding on 559 projects whose equipment was originally decided to be imported.

Jingcheng Center, for instance, originally planned to import 14.78 million U.S. dollars worth of equipment. Bidding at home helped it save 54 percent of expense in foreign exchange.

Similar bidding started in late 1984 when the State Council decided to stop importing these facilities domestic businesses were able to produce.

"China used to allocate the production of these facilities to designated factories, which only discouraged competition," said an official from China's bidding center for machinery and electrical equipments.

The center, set up four years ago, recently invited tenders on producing the machinery and electrical equipments for seven urea plants and, as a result, saved a total of 4.9 million yuan of investment.

"The bidding system is also good for the enterprises to improve their management," the official added.

Bidding companies have been set up in 17 big cities including Beijing, Shanghai and Tianjin.

#### 40-Fold Revenue Increase Reported in 40 Years

OW1909000489 Beijing XINHUA Domestic Service  
in Chinese 1401 GMT 12 Sep 89

[By reporter Ding Jianming (0002 1017 6900); "Local Broadcast News Service"]

[Text] Beijing, 12 Sep (XINHUA)—According to the State Statistics Bureau, since New China was founded 40 years ago, the central budgetary revenue has increased by nearly 40 times, from 6.5 billion yuan in 1950 to 258.8 billion yuan in 1988.

Since the 3d Plenary Session of the 11th CPC Central Committee, the party has shifted its attention to economic construction; as a result, both national income and state budgetary revenue have increased tremendously. The state budgetary revenue has increased to more than 1.62 trillion yuan over the past 10 years of reform and opening up, exceeding the combined total of the first 30 years since the founding of New China.

The state has in the past 4 decades spent over 1.6 trillion yuan, or more than 50 percent of its total financial budgetary expenditures, on economic construction. It has over the years constructed more than 5,500 large and medium key projects, such as Anshan Iron and Steel Company, Wuhan Iron and Steel Company, Shoudu Iron and Steel Company, First Automobile Manufacturing Factory, Second Automobile Manufacturing Factory, First Heavy Machinery Factory, Second Heavy Machinery Factory, and Gezhou Dam Water Control Project. It has also spent over 400 billion yuan to support scientific, educational, cultural, and health undertakings.

Despite the rapid growth of its state budgetary revenue in the past 40 years, China still feels tightly constrained, as various state undertakings have also developed swiftly. It is, therefore, necessary to further increase its financial capacity by developing the economy further, amassing financial resources properly, carrying on the "double increase, double economy" campaign, and improving tax collection and management.

#### CITIC Promises Growth Despite Austerity

OW1709143689 Beijing XINHUA in English  
0733 GMT 17 Sep 89

[Text] Beijing, September 17 (XINHUA)—CITIC, a showcase of China's economic reforms, will not go under amid the current austerity programme and campaign against corruption, says its vice-president.

On the contrary, it will survive and even expand, asserted Yang Guangqi, vice-president of the China International Trust and Investment Corporation (CITIC).

Today's CHINA DAILY quoted the vice-president as saying that CITIC has just signed agreements with an Italian and South Korean company to set up a three-way joint venture in Hong Kong to produce 73,500 tons of plastics a year. And many projects are under construction or being negotiated in CITIC's industrial base in Tianjin, Yang said.

CITIC Hong Kong (Holdings) is still very active in investment and other businesses activities, he added.

More importantly, he disclosed, many foreign companies—whose names he declined to give—are still seeking joint venture opportunities with CITIC either in China or abroad.

"Although a major expansion for CITIC is difficult at present, we have never halted our business," said 61-year-old Yang, who was vice-minister of chemical industry before he came to CITIC four years ago.

Citic's profits and total investment this year will not match those of last year, said Yang declining to reveal the expected figure.

CITIC has so far pledged investments totalling 6.3 billion yuan (1.7 billion U.S. dollars) for more than 290 projects including 250 million U.S. dollars for 20 projects overseas, Yang explained.

Though committed to completing projects already contracted, CITIC, whose assets exceed 20 billion yuan (5.4 billion U.S. dollars), will be more careful with its investments in the future, Yang said.

CITIC would readjust its business activities in China, Yang said, but he would not give details saying "this is still being deliberated."

Commenting on if CITIC will shut down any of its 23 subsidiaries as part of the government's campaign to reduce the number of superfluous companies, Yang said "some mergers are possible."

After 10 months of audits, the Chinese Auditing Administration in August announced that CITIC, mostly through its subsidiaries, had conducted activities not in compliance with administration rules. This included trading in foreign currency without permission, reselling production materials at a profit and evading taxes.

The administration has decided to collect a total of 18.81 million yuan (5 million U.S. dollars) in fines and confiscated illegal profits.

"A major reason for the fine was that CITIC's internal procedures for foreign exchange transfers were contrary to existing state rules," Yang explained.

Despite these problems, Yang said, the overall reputation of CITIC would not be tarnished.

For the past 10 years, CITIC has served both as a window on China's open policy and a test case of the nation's economic reform, Yang said.

With 20,000 employees CITIC is involved in investment, finance, trade and economic and technological co-operation in China and abroad.

### **Economic Offenders Surrender to Authorities**

OW2109073089 Beijing XINHUA Domestic Service  
in Chinese 1503 GMT 19 Sep 89

[By reporter Zhou Lixian (0719 4539 2009); "Local Broadcast News Service"]

[Text] Beijing, 19 Sep (XINHUA)—More than 5,674 economic offenders gave themselves up to authorities throughout the country and handed over some 38 million yuan worth of ill-gotten gains in the past month since the Supreme People's Court and the Supreme People's Procuratorate issued a joint notice urging criminals guilty of corruption, bribery, and profiteering to give themselves up within a prescribed period.

The Supreme People's Court and the Supreme People's Procuratorate jointly held a news briefing today on the situation regarding this matter between 15 August, the day the notice was issued, and 15 September.

According to Zhang Siqing, deputy procurator general of the Supreme People's Procuratorate, of those who surrendered, 189 are cadres at county level and 5 at prefectural level; 1,504 have confessed that they illegally received over 10,000 yuan each; 1,417 confessed that they illegally made from 10,000 to 100,000 yuan each; 79 people have handed in ill-gotten gains of from 500,000 to 1 million yuan each; and 4 criminals surrendered more than 1 million yuan of illegal money. The majority of these economic offenders are from Sichuan, Guangdong, Hunan, Jiangsu, Shandong, Hebei, and Hubei provinces.

### **Falling Demand for Home Appliances Analyzed**

HK1809060689 Beijing CHINA DAILY in English  
18 Sep 89 p 4

[By staff reporter Chen Xiao]

[Text] The spending spree in the domestic market has faded out. Such home appliances as colour television

sets, refrigerators, washing machines and other durable goods, very popular over the last few years, have now been pushed aside.

The stockpiling of home appliances reflects the cooling down of the once over-heated consumer demand. This may be a favourable turn for the macro-economic planners. But there has been much debate on what will be the way ahead for the manufacturing industries.

Statistics show that the sale of refrigerators fell by 9.2 percent during the first half of this year and the stockpile amounted to 1.4 million. The country's inventory of unsold washing machines increased from 1.85 million in 1987 to about three million in 1988.

China has made great achievements in the manufacture of durable goods in the last 10 years. In 1978, it produced fewer than 4,000 colour television sets and 30,000 refrigerators. The output has now risen to 10.27 million and 7.39 million respectively.

However, the supply has at present outstripped demand.

As a result, capital turnover has been impaired, and too many unsold goods are piled in warehouses with enterprises facing major problems.

A survey conducted by the Ministry of Commerce reveals that the sale of colour television sets, refrigerators and washing machines has dropped by 16.4 percent, 9.2 percent and 24.1 percent respectively in the first half of the year.

These important changes are due to the following causes:

First, the austerity policy, introduced by central government last autumn to curb high inflation has greatly eased panic buying and encouraged people to deposit more money in banks.

Customers brought home appliances only to retain the value of their money during the panic buying in the early autumn of 1988. At present, the situation is in reverse. The banks in Beijing received 640 million yuan in savings in July, the highest figure recorded for the last four decades.

At the same time, spending by institutions and enterprises has also dropped.

The World Bank statistics show that China's per capita gross national product (GNP) is only \$300, but the demand of durable goods seems to have outstripped that of Japan when its per capita of GNP was over \$1,000.

Until now, many components of durable goods have had to be imported. And billions of U.S. dollars are spent each year on these imports, because of a lack of manufacturing technology.

More seriously, the development has been out of step with the growth of basic industries, such as electric power. From 1980 to 1987, the increase of generated



electricity was 6.5 percent, while electrical appliances increased one hundred times.

So, elsewhere the new change on the market is welcome to the economy. The falling sale of durable goods indicates that the market has tended to stabilize. However, if the government cannot find a solution for manufacturers of light industrial goods, they will not be able to extricate themselves from their current difficulties.

### Overseas Market

Some enterprises and consumers hold an ill-advised view that the state should reduce the prices of the goods in stock. This will only set off another buying wave, said an ECONOMIC DAILY analyst.

Another imprudent idea is to fix quotas for the production of durable goods according to present demand. The final outcome will only cause the shortage of supplies in the future market, said an article in ECONOMIC DAILY.

The manufacturing sector should try to expand overseas markets and direct their goods into the rural market, the article suggested.

The Guangzhou-based Wan Bao Electrical Appliances Group had profits of about \$207 million in 1988 by exporting refrigerators, while many other refrigerator factories did not have overseas marketing programmes at all.

The countryside is also an attractive market where durable goods are sometimes in short supply. Statistics show that the demand for washing machines in rural areas will increase by 27.6 percent in this year compared with last year.

At the same time, the state may loosen its controls on large-scale home appliance makers so that competition among them will eliminate the small firms whose products are of poor quality. Some of the large enterprises may unite. And this may force all enterprises to emphasize more the quality of their products.

Co-operation between the industry and commerce is also important. It is a common practice for commercial agencies to be in arrears with payment, because of a lack of funds. This tends to jeopardize the development of enterprises.

Commercial businesses should pay for high quality products on time while reducing their stockpile of inferior goods.

### 900 Million Yuan Withdrawn From Circulation

OW1809045189 Beijing XINHUA in English  
0242 GMT 18 Sep 89

[Text] Beijing, September 18 (XINHUA)—China withdrew from circulation a total of 900 million yuan net last month, according to the State Statistics Bureau here today.

"This is something that has not happened since the beginning of the 1970s," a bureau official said, adding that usually at this time of the year more money is issued.

This was because of the current austerity program, he added.

By the end of August, the gap between bank savings deposits and loans decreased by 7.33 billion yuan less than in the previous month because of a growing tendency to save by enterprises and tighter curbs on circulating funds.

China invested 15.9 billion yuan in fixed assets of state-owned enterprises last month, 8.2 percent less than in last year's corresponding period.

The total state investment in January-August climbed to 94.49 billion yuan, 7.9 percent less than in same 1988 period, according to the bureau.

### Tian Jiyun, Chen Junsheng Write to Foresters

OW1309020489 Beijing Domestic Service in Mandarin  
2130 GMT 10 Sep 89

[From the "News and Press Review" program]

[Text] Vice Premier Tian Jiyun and State Councillor Chen Junsheng recently wrote separate letters to the representatives attending a meeting for coordinating young people in six provinces and autonomous regions to develop shelter-forests along the Huanghe. They highly evaluate the young people's successes, saying that it is a great pioneering undertaking and a significant and popular project accomplished by the Communist Youth League [CYL].

The development of shelter-forests along the Huanghe was an afforestation drive launched by young people under the leadership of the CYL Central Committee, with support from the Ministry of Forestry and the Ministry of Water Resources. Working hard for 5 years on end since 1984, young people in Ningxia, Inner Mongolia, Shaanxi, Shanxi, Henan, and Shandong have afforested 4.4 million mu of woodland, developed a network of trees criss-crossing nearly 18 million mu of cropland, and sodded nearly 1 million mu of land. Currently, a 3,000-kilometer green shelter has been developed on the banks of the Huanghe, beginning in Zhongwei County, Ningxia in the west, and running to Binzhou City, Shandong in the east.

Comrade Tian Jiyun says in his letter: Young people have always been a shock force of the motherland's afforestation drive. I hope CYL organizations will do an even better job in leading the vast number of CYL members and young people to stand at the forefront of afforesting the motherland. Young people should display patriotism and the spirit of waging arduous struggle and continue to afforest (barren hills) and all suitable areas. I also hope that governments, forestry, and water conservancy departments at all levels will continue to give them energetic support and assistance.

The meeting for coordinating young people in six provinces and autonomous regions in developing shelter-forests along the Huanghe took place in Jinan 8-11 August.

## East Region

### Fujian Leaders Meet Report Group Detachment

OW2109084289 Fuzhou FUJIAN RIBAO in Chinese  
29 Aug 89 p 1

[Text] The fifth detachment of the reporting group on heroic deeds of quelling the counterrevolutionary rebellion in Beijing arrived in Fuzhou yesterday afternoon. The reporting groups on heroic deeds in quelling the rebellion were organized by the Propaganda Department under the CPC Central Committee, the PLA General Political Department, and the Beijing Municipal CPC Committee. Among the members of the fifth detachment in Fujian to report are: Senior Colonel Wang Ze, deputy political commissar of a certain martial law unit; Major Zhang Guicheng, political instructor of a certain battalion of the martial law unit in which martyr Wang Qifu and the five other "Guardians of the Republic" served during their lifetime; Sergeant Yu Aijun, squad leader of a certain martial law unit; Lieutenant Colonel Li Lin, deputy political commissar at the fifth detachment of the Beijing Armed Police Force and winner of the Merit Citation, First Class; Wang Shiwen, secretary of the party committee at Beijing Tongren Hospital; and Gao Kefen, deputy head of Yongwai Police Station, Chongwen Public Security Subbureau under the Beijing Municipal Public Security Bureau.

On the same evening, leading comrades, including Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Cheng Xu, Yuan Qitong, He Shaochuan, Zhang Zongde, Lin Kaiqin, Chen Mingyi, and Hong Yongshi, warmly called on all members of the fifth detachment of the reporting group at their lodgings. On behalf of the Fujian party, government, and people, Chen Guangyi expressed a warm welcome to all the members of the reporting group. He said: The people of Fujian have long wanted to hear the report of heroic deeds in quelling the rebellion. At the time when our province is carrying out an indepth study and the implementation of the guideline of the 4th Plenary Session of the 13th CPC Central Committee, you bring us precious spiritual wealth. You have rendered immortal meritorious service by quelling the rebellion and defending the motherland. It is a rare opportunity for us to have you in Fujian for reporting. Your reporting will surely let all the people of our province have more indepth and lively education on loving the party, socialism, the republic, and the People's Liberation Army.

He Shaochuan, member of the Standing Committee of the provincial CPC Committee and head of the provincial Propaganda Department, and leaders from relevant provincial and city departments and the provincial Military District went to the railway station to welcome the reporting group.

### Fujian Police Discuss Capture of Escapees

OW2209030689 Fuzhou Fujian Provincial Service  
in Mandarin 1000 GMT 18 Sep 89

[Text] The Fujian Provincial Public Security Department recently held a meeting to make arrangements for preventing people from fleeing the country.

The meeting demanded: Public security and coastal defense forces should work in coordination with the departments concerned and grass-roots organizations in educating the people and preventing people from fleeing the country. It is necessary to improve the management of coastal ports and ships, rectify ship inspection organs in coastal ports, and inspect strictly both arriving and departing ships. People without proper documents are strictly prohibited from leaving port and going out to sea. It is necessary to ensure law and order in coastal areas; pay attention to the inspection and management of public places such as hotels, railroads, bus stations, and wharves; strengthen the People's Liberation Army-police-people joint defense; and beef up patrols of key coastal areas.

The meeting pointed out: It is necessary to wage a special struggle against organizers who smuggle in certain localities, punish them according to law without mercy, and confiscate the vessels used for the smuggling. The captains and owners of the vessels should also be punished according to law.

### Shandong Secretary Attends National Day Reception

SK2309020389 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 21 Sep 89

[Excerpts] This September when the soldiers and civilians across the province are cheerfully greeting the arrival of the 40th anniversary of the founding of the PRC, we also greet the arrival of the 40th anniversary of the founding of the Chinese People's Political Consultative Conference [CPPCC]. On the afternoon of 21 September at the Jinan Zhenzhuqian Assembly Hall, the provincial CPPCC Committee ceremoniously held a film reception to celebrate warmly the 40th anniversary of the founding of the CPPCC.

Before the reception, leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the Jinan Military Region, and the provincial Military District, cordially met with and extended festive greetings to the former chairmen and vice chairmen of the provincial CPPCC Committee; members of the Seventh National CPPCC Committee who are in Jinan; principal responsible comrades of the United Front Work Department of the provincial party committee, various provincial democratic parties, and the provincial Federation of Industry and Commerce; and veteran comrades who are engaged in the CPPCC work.

Li Zichao, chairman of the provincial CPPCC Committee, made a speech at the reception. [passage omitted]

Jiang Chunyun, secretary of the provincial party committee, made a speech at the reception. He said: Over the past 40 years, our country has taken an extraordinary road and has made great achievements in the socialist revolution and construction. Under the leadership of the party and persistently in line with the spirit of treating each other with all sincerity, sharing weal and woe with each other, standing together through thick and thin, and uniting with each other for advance, the provincial CPPCC Committee and the CPPCC organizations at various levels have played a positive role and made great contributions in the course of the socialist revolution and construction. During the political turmoil and the counter-revolutionary rebellion that took place not long ago, the comrades in the provincial CPPCC Committee, like all comrades in the province, were steadfast in their stand, had a clear-cut stand, did a lot of outstanding work, and withstood the severe test. At present, the people from higher levels downward are making efforts to study and implement deeply the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. We believe that the provincial CPPCC Committee and the CPPCC organizations at various levels can better persist in the focus and two basic points, better do their duties, achieve the work in all fields, and make greater contributions to the socialist material and spiritual civilizations.

Present at the reception were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Ma Zhongchen, Zhao Zhihao, Liang Buting, Zhang Quanjing, Li Chunting, Ma Zhongcai, Lu Hong, Lu Maozeng, Zhou Zhenxing, Xu Wenyuan, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Yang Da, Wu Fuheng, and Miao Yongming; some former chairmen and vice chairmen of the provincial CPPCC Committee and some veteran comrades, including Bai Rubing, Zhao Lin, Gao Keting, Qin Hezhen, Wang Zhe, Chen Lei, Zhou Xingfu, Li Sijing, Tian Haoshan, Bai Yanbo, Wang Liang, and Liu Yong; some members of the Seventh National CPPCC Committee who are living in Jinan, including Xiong Zuofang, Pan Qiqi, Zhang Rusan, (Hou Guoyuan), and Li Gongjiu; principal responsible comrades of the United Front Work Department of the provincial party committee, various provincial democratic parties, and the provincial Federation of Industry and Commerce; and the veteran comrades who are engaged in the CPPCC work.

The film to mark the 40th anniversary of the founding of the PRC, entitled "Ceremony To Proclaim the Founding of the State," was shown at the reception.

### JIEFANG RIBAO Views 'Truth of Turmoil'

OW2509141989 Shanghai JIEFANG RIBAO in Chinese 21 Sep 89 pp 1, 3

[Article by Shi Yan (2457 1484): "The Truth of Turmoil in Shanghai"]

[Text] Newspapers have already detailed the student unrest, turmoil, and counterrevolutionary rebellion that occurred in Beijing, the capital of China, at the turn of spring and summer in 1989, and the truth about these events are known to people all over the world. However, there was never a systematic report about the serious student unrest, turmoil, and regional sedition occurring in Shanghai at the same time; people still do not quite understand the origin and development and the cause and effect of the incident. Here, by adopting a realistic approach in our writing technique, we make a record of the whole story of the turmoil in Shanghai. This is done with a view to helping people understand the entire process of the occurrence and development of the turmoil, so that they have a clearer picture of the nature and origin of the turmoil as well as the harm it did. People can then draw beneficial experiences and lessons from these events.

### The Turmoil Was Premeditated Long Ago

As was pointed out by Comrade Deng Xiaoping, the incident was a result of the spread of the ideological trend of bourgeois liberalization, which had run rampant in China for quite a considerable period of time under the influence of the international climate. The ideological trend of bourgeois liberalization became all the more active and serious due to Comrade Zhao Ziyang's connivance and support. Some people went everywhere in the country advocating privatization of the economy, political pluralism, and Westernization of culture under the banner of "reform and opening to the outside world." In September last year, the 3d Plenary Session of the 13th CPC Central Committee put forward the policy of improving the economic environment, rectifying economic order, and deepening reform in an all-around way which was designed to correct certain serious mistakes that kept cropping up in economic work over the past few years. Some people, sensing from their discerning perception that the situation was not in their favor—especially the brain trust around Zhao Ziyang, who were keen on advocating bourgeois liberalization—used the media both at home and abroad to oppose strenuously the policy of improving the economic environment and rectifying economic order. They revealed their political signals in the campaign to "cause the downfall of Deng and keep Zhao in power" by making preparations in ideology, public opinion, and organization for the turmoil. SHIJIE JINGJI DAobao [WORLD ECONOMIC HERALD], which had a very close relationship with Zhao Ziyang's brain trust, published many lengthy articles after the 3d Plenary Session of the 13th CPC Central Committee to spread the idea that the policy of economic improvement and rectification would inevitably



lead to economic "stagnation" and the "reversal" of reform, and to attacked Comrade Li Peng's "Government Work Report" at the Second Session of the Seventh National People's Congress [NPC]. They deliberately exaggerated the so-called necessity of preventing reform from "taking the road of retrogression" and separating economic improvement and rectification from the reform and open policy. They also posed the former against the latter to create a sensation. Earlier this year, SHIJIE JINGJI DAOBAO went out of its way to carry the full text of "A Dialogue on the Current Situation," published by Yan Jiaqi and Wen Yuankai in JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY in Beijing. Yan Jiaqi said in this "dialogue,"—without the slightest effort to conceal his true intentions—"I feel that it is necessary for us to come straight to the point in speaking out of our concern for the future of China," "namely, we must not repeat the mistakes made by Khrushchev and Liu Shaoqi with regard to a power succession without conforming to procedure." He also said, "Many people have already experienced this kind of presentiment." This significant article was obviously written for the purpose of glossing over Zhao Ziyang's mistakes and keeping him in power so that bourgeois liberalization may be carried out unbridled. The so-called "elite" characters in Shanghai and Beijing made frequent contacts with each other, held seminars, published articles, and conducted a large number of extremely unusual activities both in public and under cover.

This was the case in the incident that occurred at the turn of 1986 and 1987, young students inexperienced in political struggle were the main target of a handful of people. They used institutions of higher learning as a front to spread a series of brazen views against the party and socialism under the pretext of "the study of theory" and "academic research" since early this year. Some people furtively posted "announcements" in Shanghai colleges and universities, declaring "Crisis! Crisis! Crisis! Confidence crisis! System crisis! Future crisis! Historical responsibility forces us college students to stand in the forefront of the times" in an attempt to mislead and stir up the people, and openly calling for "setting up organizations" and "forming mass organizations" to "study current society jointly." Some people used poems, verses, stage plays, novels, and big-character posters to "mark the student unrest in 1986" and instigate people to "take to the streets to demand loudly democracy, freedom, and human rights." Some people established secret ties and—bearing ulterior motives in their minds—spread messages among the students, such as: "Demonstrations will be staged in Beijing on 4 May," "Something is definitely going to happen in Shanghai this year," "The May 4th Movement of 1919 will be commemorated with blood," and "There will be an all-out uprising." At that time, someone in a Shanghai institution of higher learning proudly said, "The whole country is just like a heap of dry fagots now. It will immediately be ablaze after people like Fang Lizhi step out to lead the people and ignite it."

As expected, the omen of the turmoil silently loomed large with support by coordinated actions at home and abroad. Some organizations at home and abroad continuously clamored for the "Chinese Government to release all political prisoners, including Wei Jingsheng" in January this year. Chen Jun (graduate of 1982 class of Fudan University), member of "Chinese Alliance for Democracy"; Fang Lizhi; Su Zhaozhi; Yan Jiaqi; Bao Zunxin; Zhang Xianyang; and Li Honglin among others, conspired to introduce in Shanghai a so-called "signature drive" for requesting the release of political prisoners. Responding to this drive, Wang Ruowang said: "Shanghai should not be silent any longer; we must do all we can to catch up." He, together with some people with similar motivations, tried to launch a signature drive in Shanghai and "echo each other both in the north and the south" to put pressure on the government. Wang Ruowang even personally corrected the draft for inviting signatories. He selected 30 odd noted personages and came out with a plot of "starting with easy ones first, dealing with difficult ones later, and starting with separate actions first, then combining all forces together later." He also sent people to visit possible signatories' homes seeking their signatures, which were to be published in Hong Kong's newspapers.

The "Chinese Alliance for Democracy" also extended its black hand to Shanghai. This counterreactionary organization, with a short-term goal of "canceling the four cardinal principles and releasing all arrested political dissidents," and with the present-stage focus of "promoting a democratic movement in Mainland China," took Shanghai as this year's main target. It sent Tang Guangzhong and two other persons back to Shanghai from the United State early at the beginning of this year. They brought with them personal letters and congratulatory cards written by Hu Ping and Wang Bingzhang to Yang and Wei. They were ready to welcome Yang and Wei in front of the jail's gate when they were released after finishing their prison terms. With that, they hoped to enlarge the influence of the "Chinese Alliance for Democracy" and realize their so-called "political landing." They were not successful in carrying out their plot because they were discovered by our public security organs in time. They were ordered to leave after being taken into custody in accordance with the law.

In March this year, many Shanghai colleges and universities received a large quantity of "psychological warfare materials." Some of these materials attacked such actions as bringing order out of chaos and reform and opening to the outside world, which were adopted by the 3d Plenary Session of the 11th CPC Central Committee, and proposed "forcing Deng Xiaoping to step down ingloriously for the fourth time." Some of these materials instigated college students to launch a nation-wide unified action during the period of 4 May "to celebrate the 4 May Movement with fresh blood."

Many comrades of the Shanghai higher education system had a premonition of "the rising wind forebodes a coming storm" in view of the above-mentioned signs.

They, therefore, took a series of preventive measures. However, "the tree may prefer calm, but the wind will not subside." On the second day before the death of Comrade Hu Yaobang, a Shanghai college student union received a "Letter to the College Students throughout the Country" signed by the Guangxi University's student union. The letter advocated the idea that "without small turmoil, there will be a big turmoil like that of the Cultural Revolution; without short-term turmoil, there will be a long-term turmoil of 10 years; a small amount of turmoil is nothing to be afraid of." It also tried to confuse and poison the people's minds by saying: "College students throughout the country, 4 May will be coming soon. At that time, we will hold high the portraits of Hu Yaobang and big banners of democracy, freedom, dignity, and legal system." Surprisingly, Comrade Hu Yaobang died right in the nick of time. A small number of people believed that it was a golden opportunity. They lost no time in seizing the opportunity to exaggerate matters, instigate student unrest, and create turmoil. Therefore, this event in fact had been premeditated for quite a long time, although its occurrence looked accidental.

The student unrest and turmoil in Shanghai can be divided into four stages. The first stage was from 15 to 26 April. An extremely small number of people with ulterior motives set off a surge of rehabilitating bourgeois liberalization under the name of mourning the death of Comrade Hu Yaobang. The second stage was from 26 April to 20 May. Student unrest spread from schools to society. There were large-scale parades, sit ins, fasts, and petitions with the major contents concentrating on "supporting the Beijing Federation of Autonomous Student Unions in Universities and Colleges"; "supporting SHIJIE JINGJI DAOBAO"; opposing the 26 April editorial; urging the acknowledgement of illegal organizations; and so-called "freedom of the press." The third stage was from 20 May to 4 June. After martial law was issued, large-scale parades were continuously held with a spearhead directly aimed at leading comrades of the CPC Central Committee and openly opposing martial law. Then came the "class boycott" movement. The fourth stage was from 4 to 8 June. Several thousands of students and some dregs of society jointly destroyed vehicles on streets and stopped traffic, thus creating transportation chaos in the city. This was engineered by the "Federation of Autonomous Student Unions in Universities and Colleges."

The student unrest was manipulated and exploited by a very small number of people from its onset. This is seen, first and foremost, in the explicit political intentions and turbulent nature of the small and big-character posters and slogans, which appeared in the initial stage of the student unrest. One of the intentions was to attack party and state leaders. On the night of 15 April, that is, the very night Comrade Hu Yaobang passed away, some people put up a poster on the campus of the East China Institute of Political Science and Law, saying: "Yaobang, what a tragic death you died! It's a tragedy for China." On 18 April, a big-character poster entitled "Warning

Bell" was posted in Fudan University, openly clamoring: "He who should die is still around. In eliminating traitors, what are we waiting for?" "Let God take care of not Yaobang alone, but those who have completed the historical mission." Another big-character poster put up in the East China Teachers' University on 18 April provocatively said: "Democracy should be materialized and freedom should come on a large scale to allow criticism of the government." Another intention of the posters and slogans was to incite students to demand a redress of the verdict on bourgeois liberalization by using such as slogans calling for "Investigating the truth of Hu Yaobang's resignation and death"; "Reevaluating Yaobang"; "Reevaluating the 1986 student unrest; rehabilitating Liu Binyan, Fang Lizhi, and Wang Ruowang and returning Fang, Liu, and Wang to us"; and so forth. Still, another intention was to oppose the principles of improving the economic environment and rectifying economic order and to incite the "toppling of Deng and safeguarding of Zhao." A big-character poster put up in Fudan University on 22 April described Comrade Li Peng's "Government Work Report," delivered at the Second Session of the Seventh National People's Congress as an official document fiercely rebutting the reformist faction." It also described the central leading comrades, who upheld the four cardinal principles, as "conservatives"; lauded Comrade Zhao Ziyang, who abetted and supported advocates of bourgeois liberalization, as a "reformist"; and distorted the opposition between the four cardinal principles and bourgeois liberalization as a struggle between conservatives and reformists. A big-character poster put up in the East China Institute of Chemical Engineering on 19 April, entitled "Statement of Our Action," said: "With reform facing a crucial period, we may imagine that once the conservatives seize powers on all fronts, whereto China will head." "We should support the reformist faction with concrete actions as Muscovites supported Yeltsin."

It is noteworthy that it was precisely at that time that SHIJIE JINGJI DAOBAO rushed to publish its No 439 issue on 23 April, bluntly putting forward two political guidelines of the recent turmoil: One called for reevaluating Comrade Hu Yaobang's merits and demerits and thoroughly repudiating the party Central Committee's handling of Comrade Hu Yaobang's resignation at the beginning of 1987, and the other called for totally negating the struggle against bourgeois liberalization and exonerating the so-called "citizens who had been wronged" in the struggle against liberalization [sentence as published]. As Qin Benli put it in his own words, the aim of these two political guidelines set forth by SHIJIE JINGJI DAOBAO was to demand that "Deng Xiaoping examine himself." Of course, the newspaper was sternly criticized for this issue by the Shanghai Municipal CPC Committee, which ordered the suspension of the issue. Thereafter, some people from the newspaper shuttled between major colleges and universities in Shanghai to exploit the student unrest and stir up turmoil.

The manipulation and exploitation of student unrest by a small number of people can also be clearly seen from

the "brain trust," who worked behind students and certain unlawful student organizations in plotting schemes for them. The members of the brain trust carried out both overt and covert activities; inducing large numbers of students to set up illicit organizations, attend secret gatherings, resort to terrorist actions, block traffic, and stir up disturbances; thereby, step by step, climbing up into the chariot of turmoil.

In Fudan University, there was a "brain trust," consisting of seven teachers headed by Ye Maoqiang, a teacher of the "Culture and Communication" Research Center. They declared that "the brain trust is the supreme policymaking organ whose decision must be carried out" to various student organizations on campus. The "brain trust" participated in the scheming and directing of almost all activities by Fudan University students, such as a sit-in, a hunger strike, blocking traffic, and setting up barricades on roads. They even drafted or revised quite a few propaganda materials concocted by Fudan University's "autonomous association" and the "Autonomous Union of College Students" in Shanghai in the later period. On 26 May, Ye Maoqiang attended a secret meeting of the student representatives from 21 colleges and universities, which was sponsored by the "Autonomous Union." He analyzed the situation and pointed out the "direction for action" in the next step for student ringleaders. He said that yesterday afternoon, we theorists called a meeting and drew the following conclusions: "First, the students should protect themselves in the event higher authorities take a suppressive policy. The 'Autonomous Union' and 'autonomous associations' of all colleges and universities should hide their assets for future use. Second, it is necessary to be prepared for a protracted battle. Do not take to the street to stage demonstrations, hunger strikes, and sit-ins. It is also necessary to mingle with the masses." "The seeds of the enlightened movement must be buried so that they can take root and sprout." They also declared that "this is our overall guideline for the situation."

On one hand, Chen Qiwei, deputy director of the Department of Economics of the East China Normal University, helped students plot and served as their "instructor" during the turmoil. On the other hand, he repeatedly delivered antigovernment speeches before the students and openly encouraged them to "overthrow the government." He said: "Our first objective is to make Li Peng declare martial law and now we have attained that objective; our second objective is to overthrow the Li Peng bureaucratic dictatorship government that is hostile to the people of the whole world." He also "advised" the students by saying "We should not shout the slogan of overthrowing bureaucratic racketeers, because bureaucratic racketeers are a structure, not a phenomenon; this structure can be summed up in one word—that is, when one man becomes insane, the whole nation suffers. Such a political structure caused economic difficulties, social crisis, and a crisis of faith." His instigating speeches were widely circulated in leaflet form, and poisoned the minds of many youths and students.

Chen Lebo, director of the domestic economy department of "SHIJIE JINGJI DAOBAO," was also one of the "brain trusters" directly manipulating and using the students. He "suggested" to student representatives of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" and "Federation of Autonomous Student Unions in Secondary Schools" that they should "get together to discuss the next move" after martial law was declared in some parts of Beijing. He put forward "three programs of action" for the students: 1) We fight for citizen's basic rights. We have already obtained the right to demonstrate and we should also have other rights. 2) We should strive to legalize the autonomous student unions in universities and colleges; our practice is to seize positions one by one and we should seize or transform as many newspapers, trade unions, party branches, and democratic parties as possible. 3) We should seize every opportunity to carry out a new movement of enlightenment. The current student unrest is a plowing and we should sow more seeds of democratic power. We should also take some violent action so that later generations will reap some harvests.

At the same time, there was hot-line communication between the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" and many hostile forces in foreign countries, Hong Kong, and Macao. The "Chinese Alliance for Democracy" frequently poked its nose into the Shanghai students' unrest. Xu Bangtai, a member of the "Alliance for Democracy" and former student of Fudan University, incited the students to set up "independent student unions." The headquarters of the "Chinese Alliance for Democracy" assigned Yang Wei to contact the leaders of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" and to give the student unrest "policy guidance." In order to "keep in touch with connections at home" at all times, Chen Jun, a member of the "Chinese Alliance for Democracy," set up a command center with a special-purpose telephone in his house in the United States. Chen Jun was on 24-hour watch at the telephone to exercise remote control and command of the student unrest in Shanghai. During the turmoil, Kuomintang spy organizations frequently mailed instigative "psychological warfare" materials to Shanghai and instructed their agents there to "take advantage of the current situation, participate in the students' movement and report their achievements," and wait for good opportunities to expand their organizations. In short, various hostile forces and dissidents in society tried in every possible way to manipulate and use the students, and to plot and intensify the turmoil. This is an irrefutable fact.

#### **The Turmoil Was Characterized by "Concerted Actions Between South and North" From Beginning to End**

The center and main battlefield of the recent turmoil was in Beijing, while Shanghai was a branch battlefield to support Beijing. A handful of plotters, organizers, and commanders of the turmoil plotted Shanghai's "concerted actions in conjunction with Beijing" through



various channels, which included "three institutes and one federation" in Beijing (namely Zhao Ziyang's "brain trust"), the Beijing office of "SHIJIE JINGJI DAOBAO," "Federations of Autonomous Student Unions in Universities and Colleges" in Beijing and Shanghai, and the frequent travel of students between south and north. "Shanghai's rains were always related to Beijing's storm" during the entire student unrest and turmoil.

In the early stage of the student unrest, many slogans of a subversive nature, such as "Overthrow bureaucratic government" and "Overthrow dictatorship rule," appeared on university and college campuses in Beijing. The same slogans also appeared on university and college campuses in Shanghai. Some of the big-character posters displayed on the campuses of various schools slandered our government as "the most corrupt government," and attacked our party as a "totalitarian and unreliable party that cheats the people." Other big-character posters wanted to "overthrow feudal autocracy and down with the dictator and traitor to the people!" and to "overthrow the Communist Party and dissolve and reorganize the government." When the 26 April RENMIN RIBAO editorial was published, the Beijing "Federation of Autonomous Student Unions" immediately issued the "No 1 order of the New Student Federation" to change their subversive slogans from "Down with bureaucratic government," "Down with corrupt government," and "Down with dictatorial rule" into those like "Oppose Bureaucracy, Oppose Corruption, and Oppose Privileges" at the suggestion of Fang Lizhi and others. At the same time, a "circular" was put up at Fudan University under the name "Shanghai Federation of Autonomous Student Unions," calling for the liberal use of slogans on commodity prices and bureaucratic profiteering. "Slogans such as down with bureaucratic government must never be used."

When the "student unrest" and the turmoil were in their beginning stages, the Shanghai Municipal CPC Committee and government issued a "circular" on 17 April taking a clear-cut stand and noting that "it is necessary to take strict precautions against sabotage by evildoers who want to take advantage of the situation to stir up troubles." We gained time and the initiative thanks to this circular and the all-out effort by cadres, teachers, and all sectors of society in stabilizing the situation. By 4 May, among the 130,000 college students in Shanghai's 51 institutes of higher learning, only 4,000 to 5,000 students from 3 schools had taken to the streets; order in the schools had been, by and large, stable. After 4 May, the situation suddenly took a turn for the worse as a result of Comrade Zhao Ziyang's speech at the annual meeting of the Asian Development Bank. The majority of students who had persistently attended classes as well as the majority of cadres who had actively worked among the students felt discouraged. Upon hearing the speech, many students at Jiaotong University, where the situation had been relatively calm until 4 May, discussed it among themselves that evening: Since taking to the

street is a "patriotic act," are we unpatriotic if we do not take to the street? Secure in the knowledge that a person of central authority openly supported them, those who engaged in the turmoil became even more brazen and arrogant, and the turmoil took a turn for the worse.

During that period, two characteristics emerged in the student unrest in Shanghai: First, it closely followed Beijing and supported Beijing; second, the students and SHIJIE JINGJI DAOBAO voiced support and lent impetus and strength to each other. On the afternoon of 10 May, ringleaders of the municipal "Federation of Autonomous Student Unions" plotted to organize and send a "Beijing-bound petition group." They held a news conference at Fudan University the next day and announced that the group's chief mission was to "question the State Council as to what the mistakes of SHIJIE JINGJI DAOBAO are and what is the system of chief editor assuming responsibility?" Before the group's departure, ringleaders of the the Beijing "Federation of Autonomous Student Unions" at Tongji University called the "Autonomous Union of Beijing University" asking it to send people to await its arrival. When the petition group arrived in Beijing, it immediately contacted Wang Youcai, a ringleader of the "Beijing Federation of Autonomous Student Unions." To strengthen contact with the "Beijing Federation of Autonomous Student Unions," the "Shanghai Federation of Autonomous Student Unions" send liaison men to Beijing to transmit daily reports on the situation in Beijing to Shanghai; it also sent reports on the situation in Shanghai to Beijing. From then on, posters on student activities in Shanghai were seen frequently in "Sanjiaodi" Square on the Beijing University campus.

After learning from members of the petition group that Beijing students started a hunger strike on 13 May, students in Shanghai immediately took two "support" steps on 15 May. First, they assigned five members of the petition group to take part in the fast in Tiananmen Square while the remaining members continued their activities of establishing contacts with the various colleges in Beijing, making speeches, and submitting petitions. Second, posters were put up on the campuses of Fudan, Tongji, East China Normal University, Shanghai Workers' University, and other schools urging students to also stage a hunger strike. Students of the petition group also called ringleaders of the Tongji's "student autonomous union," informing them of the itinerary of Gorbachev's visit to Shanghai and asking them "to do something" during his visit. On the afternoon of 16 May, thousands of students, graduate students, and young teachers from Fudan, Tongji, East China Normal University, Shanghai Workers' University, and other schools took to the streets in support of the Beijing students' hunger strike. That night, the "Fasting Group of Shanghai Universities and Colleges" was inaugurated and some 50 students began fasting in front of the municipal people's government. As many as 300 students participated in the hunger strike over the next 3 days.

At the same time, many Shanghai college students went to Beijing to establish contacts and to participate in the hunger strike in Tiananmen Square. During that period, 102 students from the Shanghai Workers' University alone travelled to Beijing. On the afternoon of 19 May, Wang Youcai, the ringleader of the "Beijing Federation of Autonomous Student Unions," telephoned Shanghai college students to inform them that Li Peng would go on television that evening to make a speech and that martial law would be declared in Beijing. They also were told that "this information is from higher-ups and is absolutely reliable." They followed the command of the "Beijing Federation of Autonomous Student Unions" and immediately took action to "tone down" their hunger strike. When the central authorities convened the meeting of party, government, and military cadres, the handful of people of the "Shanghai Federation of Autonomous Student Unions" knew their scheme of escalating the turmoil through hunger strike had failed completely. On one hand, they notified the fasting students to pull out; on the other, they took a series of even more fiercely confrontational steps to stir up a reactionary tide against martial law in Beijing in a vain attempt to overthrow the legitimate government. The turmoil escalated further.

First, large-scale demonstrations were organized continuously and staged without interruption. A small number of people from Shanghai's institutions of higher learning rallied continuously in Fuxing Park from 21 to 22 May. They plotted to "keep up the demonstration without interruption, with each school demonstrating alternately" by organizing each school and their students in groups to take turns in taking to the streets so as to maintain the momentum and to preserve their strength. They presented "a near-term objective demanding that Li Peng step down and a long-term objective demanding the creation of a multiparty government in charge of administration," and also decided to set up the "Shanghai Federation of Autonomous Student Unions in Universities and Colleges."

At a rally attended by 1,000 students at the Communist Youth League [CYL] Square of the East China Teachers' University on 23 May, the leader of the University's "Federation of Autonomous Student Unions" said: "The students in Beijing are mentally and physically unable to continue their efforts now. It is necessary for us students in Shanghai to share more of the burden and to shift the limelight of the student movement to Shanghai." It was at this time that the "Propaganda Group of the Beijing Federation of Autonomous Student Unions in Universities and Colleges for Mission to South China" and the Federation's "Special Action Squad" made consecutive inroads into Shanghai. Armed with a letter of certification to make contacts signed by Chai Ling, standing committee member of the "Beijing Federation of Autonomous Student Unions in Universities and Colleges," and with a large quantity of leaflets, photographs, speech manuscripts, and other propaganda materials, Zhao Wenli (female, student at Grade 88 of the Law Department of the Northwest China Political Institute), leader of the "Propaganda Group for Mission to

South China," entered Shanghai secretly together with over a dozen other people on 24 May and successively got in touch with Zhang Cai (namely, Yao Yongzhan, a student of Fudan University), standing committee member of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges, and others. Arranged by Zhang Cai and others, they made many provocative speeches one after another at the Shanghai Engineering University, the Railway Institute, Fudan University, and the Shanghai Jiaotong University, hurling invectives at the leading comrades of the central authorities and declaring: "We will come back everyday if Li Peng does not step down." We urge the students of Shanghai to stick to the end. A resumption of classes undoubtedly is the greatest betrayal of our fellow students in Beijing!" Later on, this kind of talk became a "unified slogan" of the students in Shanghai. They kept organizing rallies and demonstrations, some of which lasted for up to 9 days.

Second, they tried in vain to carry out their conspiracy of "abrogating the order for the enforcement of martial law and recalling Li Peng from his position as premier" by coordinating with an extremely small number of people in Beijing who were instigating and plotting to convene an emergency meeting of the NPC Standing Committee. The leaders of the "Federation of Autonomous Student Unions" at Fudan University, the East China Teachers' University, the Shanghai Tongji University, and the Shanghai Jiaotong University decided that a so-called meeting for voicing condemnation would be held in the Square of the People in the afternoon of 25 May.

The instigators and plotters of the meeting confessed that the purpose of the meeting was to "let Wan Li realize the discontent of Shanghai students while he was still in Shanghai and thus call for the convening of emergency meetings of the NPC and the central authorities as quickly as possible to recall Li Peng and to determine the nature of and correct the political label put on the student movement. At a meeting held by the "Federation of Autonomous Student Unions" at Shanghai Jiaotong University on the evening of the same day, and attended by 2,500 people, an instructor (a member of an illegal organization) of the Shanghai Institute of Education delivered a speech entitled "The Situation and Countermeasures After Wan Li's Return to China." He instigated students to "demand the convening of an NPC meeting and, thereby, to form a widespread political force"; "insist on the necessity of having deputies from various strata, including citizens and students, participate in the NPC meeting this time because this is the right they should fight for;" and "conduct ideological work among Standing Committee members of the NPC so that they would learn the truth about the student movement;" and what not. In the meantime, someone in Fudan University sent letters to the standing committees of the people's congresses in 29 provinces, municipalities, and autonomous regions throughout the country, inciting every area's "deputies

of the People's Congress to go to Beijing immediately" and exert pressure to bring about a "reorganization of the government."

Third, responding to the conspiracy and activities of an extremely small number of people in Beijing to intercept and stop the martial law enforcement troops from entering the city, roadblocks were set up in Shanghai to obstruct traffic and disrupt economic activities. After martial law was declared in some districts in Beijing, those who instigated the turmoil in Shanghai held several secret meetings. After discussions, they decided to "go into the streets to block traffic in case the military takes control of Shanghai in order to create a strike in reality," and divided the work according to the principle of "relying mainly on the nearby schools" to block traffic on the streets. During this period, they also sent a large number of personnel to areas adjacent to railway, wharves, airfields, and barracks of army units stationed in Shanghai to observe and discover any signs of troop movements. The leaders of the "Federation of Autonomous Student Union" in the East China Teachers' University urgently assembled 6,000 to 7,000 students and occupied both ends of five bridges across the Suzhou He River at 0400 on 22 May on the pretext that "troops are going to enter Shanghai to impose military control at 0500 this morning." Their actions caused traffic jams on five major north-south trunk roads for more than 2 hours. At 4 am on 24 May, some 1,500 students of Fudan University staged a sit-in on Siping Road, Handan Road, Xiangyin Road, Huangxing Road, and Songhu Road in Wujiaochang District, blocking traffic for more than 4 hours. At the same time, the "Federation of Autonomous Student Unions in Universities and Colleges" also organized groups of students to conduct instigative propaganda at major factories and enterprises in an attempt to incite workers' strikes. However, the cadres, staff members, and workers of various enterprises in Shanghai responded resolutely to the call of the municipal party committee and the municipal government for "stabilizing the situation, stabilizing Shanghai, persisting in production, and ensuring normal livelihood," and resisted the instigation. Thus, the "Federation of Autonomous Student Unions in Universities and Colleges" was unsuccessful in its attempt.

Fourth, they organized "boycott of classes by leaving school" to counter the demand for "unconditional resumption of classes" put forward by Comrade Li Peng. Since various universities and colleges in Shanghai resolutely implemented the guidelines of the central meeting of party, government, and army cadres and carried out a great deal of patient and meticulous work to persuade the students, most students of those schools successively returned to classes. A small number of people consequently felt that the situation was unfavorable to them. On the afternoon of 28 May, the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges," acting on the instruction of the Tiananmen Students' Demonstration Command, again incited several tens of thousands of students to hold a

large-scale rally and demonstration at the People's Plaza in support of the so-called "parades by people of Chinese descent throughout the world." Members of a "propaganda team" from Beijing delivered speeches during the rally. The leaders of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" announced at the meeting: All college students in Shanghai should "leave school and go home" to "boycott classes" from now on. On 29 May, the "Federation of Autonomous Student Unions in Universities and Colleges" issued a "leave-school public notice" to 51 universities and colleges in the city, and said that "leaving school is the most thorough boycott of classes," "the strongest protest and a silent negation of Li Peng's demand for 'unconditional resumption of classes'," "an excellent episode of the patriotic democratic movement," and that it "will play the role of sowing to expand the influence of the current democratic movement."

The "boycott of classes by leaving school" initiated by the municipal "Federation of Autonomous Student Unions in Universities and Colleges" rapidly spread to most universities and colleges in only a few days and caused tremendous impact and interference in those schools which, basically, had returned to a normal schooling order. Students of all but the graduating classes in many universities and colleges hastily left school. The handful of people of the "Federation of Autonomous Student Unions in Universities and Colleges" did not stop their actions. They tore down the public notices displayed by various schools on resumption and maintenance of normal schooling order, seized school broadcasting stations or set up their own broadcasting stations, and seized printing shops to print leaflets for spreading counterrevolutionary rumors. They occupied transformer stations to threaten the safety of schools, beat up public security personnel, and looted telegraph and telephone equipment. Some students even created disturbances in faculty housing areas and tried in every way possible to incite the teachers to boycott classes. They surrounded and used abusive language against some leaders of universities and colleges that took a firm and clear-cut stand. They even went to some leading cadres' quarters and threatened to search their houses and confiscate their property. They hurled abuse at some students who did not want to boycott classes, prevented the latter from entering classes, and threw the latter's belongings out of the dormitories. They also disrupted normal order at examination sites and classrooms. In so doing, they, in fact, were endangering the destiny and future of the young generation and all college students.

#### **All Kinds of People Were Involved and the Turmoil Began To Spread Throughout the Entire Society**

The student unrest in Shanghai, which very quickly led to turmoil, was inseparable from the involvement of all kinds of people in society. Shanghai was "a metropolis infested with foreign adventures" in Old China, and an old nest of "the gang of four." Ever since the occurrence of student unrest here, those who "were waiting silently for a change," those who were hoping for a chaos to



occur, and those who had long been persisting in the bourgeois liberalization and playing political plots were wild with joy. They, believing that "this is a great chance for a change—a chance for transforming the present situation," quickly became involved in it. The turmoil, symbolized by the 23 April involvement of SHIJIE JINGJI DAOBAO, quickly spread throughout the entire society.

SHIJIE JINGJI DAOBAO was the "place of origin" of this social turmoil in Shanghai. They claimed that "during the student unrest, our newspaper must play a major role of the movement. We must raise our own banner and study how to change the system in China." To achieve this end, they reported the event in the No 439 issue. They also held so-called "press conferences" several times, instigated students, and sought support from the media to "maintain long-term pressure and promote the movement." At the same time, they utilized its office in Beijing to transmit the information on the turmoil in Beijing back to Shanghai. Such information included the goals of the Beijing rioters at the present stage; major events in the movement; opinions expressed by Yen Jiaqi, Fang Lizhi and others; and differences of opinions of leaders in central organs. Then, some of the people in SHIJIE JINGJI DAOBAO quickly spread the information far and wide. The techniques they used included printing and spreading the relevant information, lecturing at universities, and establishing personal ties with turmoil organizers. The degree of the involvement of SHIJIE JINGJI DAOBAO in this social turmoil could be found in the "thank you" letters to SHIJIE JINGJI DAOBAO written by the leaders of the illegal student organization of Fudan University for being their teacher and "precious instruction," and the confession written by leaders of "the Shanghai Federation of Autonomous Student Unions in Universities and Colleges," in which they said that if they needed the most up-to-date information and theoretical guidance, they read SHIJIE JINGJI DAOBAO.

There were a small number of people in the fronts of theory, press, publication, culture, and education in Shanghai who had long been persistent in the position of bourgeois liberalization, maintained close relations with political powers abroad, and had a 1,001 links with figures behind and in front of the scenes who planned, organized, and commanded the turmoil in Beijing. During this turmoil, they were very active in connecting people above and below.

During the turmoil, Wang Ruowang, leader of the bourgeois liberalization movement, participated in parades several times, granted interviews to foreign reporters, and sent articles supporting the turmoil and opposing the party and socialism to newspapers abroad. At the early stage of the student unrest, he said proudly: "You just wait and see. A good show is coming. The day that I have long been waiting for has come." "May is not here yet. The surge of such magnitude already occurred in April. Compared with the student movement in 1986, this present movement is more mature. The event surely will

be a national movement and surely will produce a new and favorable turn." After the 26 April RENMIN RIBAO editorial was published, Wang Ruowang hurriedly wrote an article for a Hong Kong journal attacking the editorial as a "notice that the CPC leadership is critically ill and has taken the road to its doom." In mid-May, when some students in Beijing and Shanghai were on hunger strike, Wang Ruowang instigated them, saying: "I am not only the great grandfather of bourgeois liberalization, but also the great grandfather of fasting. I have fasted four times in my life." When he took part in parades, he draped a scroll over his shoulders which bore the characters "A heart of stone. What a pity" on the front and "Save the nation, save the people, save the students" on the back. Wang Ruowang also said: "Some people are worried. They ask what if the Communist Party is overthrown and there are no cadres to run China? Such worries are uncalled for. Yan Jiaqi, Fang Lizhi, and others are all statesmen. Now we have many young, capable successors like Wang Dan. Moreover, we still have people like Zhao Ziyang." He also secretly drew up a cabinet list and suggested that "after the victory of the student movement, we should organize a group of intellectuals, convene a national conference, revise the Constitution, and form a coalition government." He indeed was blinded by the lust for gain.

The handful of people who have long advocated bourgeois liberalization, with Wang Ruowang as their representative, incited and threatened many people who were unaware of the truth to take to the streets on many occasions and add fuel to the fire. A handful of people from some news units, departments of theoretical study, mass organizations, and a few party and government organs also took to the streets with banners. All sorts of "letters of appeal" and "open letters" were issued one after another. Instigated by Wang Ruowang, several people at the Shanghai Writers' Association drafted an "Appeal to PEN Associations in All Countries Around the World" and an "Open Telegram to the National Writers' Association and the People" in an attempt to use international public opinion to pressure the party and government. For a time, all sorts of extremely reactionary views were disseminated openly, confusing political rumors of every description were spread far and wide, and anarchical activities of every hue that trampled upon democracy and violated the law spread unchecked. The normal order of production and life in the city was seriously disrupted.

During the turmoil, several Communist Party members holding important party or government posts in Shanghai openly opposed the Central Committee. Following the 19 May central meeting of party, government, and military cadres, they plotted to draft the so-called Shanghai party members' "Open Letter to the CPC Central Committee" urging the Central Committee to convene an emergency meeting to "retract Li Peng's 19 May speech," "negate the 26 April RENMIN RIBAO editorial," and "immediately lift the news blockade," echoing from afar the statements issued by the Economic

Structural Reform Research Institute, the Development Institute of the China Rural Development Research Center, the Institute on International Studies of the China International Trust and Investment Corporation, and the Beijing Association of Young Economists. Hundreds of copies of this "open letter" were distributed to the city's news, theory research, and cultural units; colleges; and enterprises to collect signatures. When the letter was published, it was immediately boycotted by the masses of party members in Shanghai, who condemned it as seeking to stir up trouble. The schemers, however, hurriedly announced the news through Hong Kong newspapers and published the namelist of those who had signed the letter. This created a very bad influence abroad.

During the turmoil, some PhD candidates and graduate students at the Graduate Department of the Shanghai Academy of Social Sciences also were very active. Their ringleader was one of the standing committee members of the "Federation of Autonomous Unions." These people took part in almost all the sabotage activities during the middle and final stages of the existence of the "Federation of Autonomous Unions." It was precisely during the period of turmoil that they sponsored the so-called lectures on the "Hot Spots in Chinese Politics and Ideology" in an attempt to spread the turmoil even wider. From 4 June, they set up tweeters on the Chinese parasol trees in the busy Central Huaihai Road outside the gate of the Academy to broadcast continuously the reactionary clamor of the "Voice of America" and other foreign radio stations. As late as the morning of 10 June, they still gathered 40 to 50 people to demonstrate outside municipal government organs on Kangping Road, chanting extremely reactionary and vicious slogans.

During the turmoil, some remnants of the "gang of four" were very happy about the situation. They said privately. Seeing "such a situation, we 'rebels' are so happy," and "what is going on is a 'great cultural revolution'." They congratulated each other because "a new dynasty will replace the present one" and "it won't be long before they can hold up their heads again." They took various actions to support and incite disturbances in an attempt to "step forward and play a role under the circumstances." According to our preliminary discovery, 35 remnants of the "gang of four" in Shanghai took advantage of the turmoil to carry out open activities, and 11 of them stepped forward to openly incite workers to strike.

During the turmoil, some dregs of society in Shanghai successively set up 14 illegal organizations which were later combined into the "Shanghai Federation of Autonomous Worker Unions." They put forward the so-called "organizational program" calling for "organizing workers' strikes, establishing the workers' own armed forces, and overthrowing the Li Peng government and the socialist system." They colluded with the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges," and assembled some mobs in the society to hold demonstrations, deliver speeches, distribute leaflets, spread rumors, and further the turmoil.

### **Shanghai People Stabilized the Situation in One Stroke After the Source of Turmoil in Beijing Was Eradicated**

The party Central Committee and the State Council took resolute measures and put down in one stroke the counterrevolutionary rebellion in Beijing on the night of 3 June. When the news reached Shanghai, the organizers, planners, and commanders of the turmoil in Shanghai panicked. Some of them went into hiding, others fled, and still others staked everything on a single throw just as a losing gambler does, fanatically carried out sabotage, and pushed the turmoil in Shanghai to the extreme.

Taking advantage of the temporary poor state of communications in Beijing in the first several days after the rebellion was quelled, they fabricated counterrevolutionary public opinion and distorted the truth of the quelling of rebellion in Beijing to confuse people. Various leaflets and small character posters were seen on the streets since the early morning of 4 June. In particular, copies of Hong Kong newspapers were circulated to spread the so-called "truth of the Beijing suppression." Some people, using the copiers in the library of Jiaotong University, made a large number of copies of some Hong Kong newspapers that distorted the truth of the quelling of rebellion in Beijing, and distributed the copies among the public. "SHIJIE JINGJI DAOBAO" displayed on the bulletin board at the entrance of the Academy of Social Sciences a number of copies of Hong Kong, Taiwanese, and Western newspaper clippings, and pictures about such rumors as "bloodbath at Tiananmen," "factional fightings among PLA units," and "revolt of the XXXVIII Corps."

Under the instigation of an extremely small number of people, some university and college students in Shanghai organized so-called propaganda teams to take to the streets and spread all kinds of rumors by the broadcasting stations and portable loudspeakers they themselves had made. The "Federation of Autonomous Student Union" at Fudan University also organized a group of students to broadcast funeral music using tweeters in front of the municipal government and some information units. A man who claimed that he himself had just returned from Beijing briefed bystanders on the situation in Beijing using distorted reports. He urged citizens to stage "three strikes," called on other countries to break off diplomatic ties with China, recall their ambassadors, and impose economic sanctions on China immediately; and, clamoring, asked "party members to renounce the CPC, the CYL members to renounce the CYL," "military dependents to hang white elegiac couplets in protest," and what not. The Shanghai Tongji University and other institutions of higher learning even used broadcasting loudspeakers to transmit anti-China and anticommunist broadcasts by the "Voice of America," the "Voice of Freedom" of Taiwan, and other radio stations on the streets.

The extremely small number of instigators, organizers, and commanders of the Shanghai turmoil stepped up their counterrevolutionary sabotage in despair; they

incited the setting up of roadblocks on all major and minor traffic lanes to cause strikes and the closures of markets, paralyze the economy, and create chaos in Shanghai. The "Federation of Autonomous Student Unions in Universities and Colleges" held two emergency meetings in the afternoon and evening of 4 June, deciding on a unified action to be taken at 0400 on 5 June; namely, urging groups of students to take to the streets and intercept vehicles and set up roadblocks with cooperation of some of the scums of society. According to incomplete statistics, during the 5-day period from 4 to 8 June, a total of 979 blockades were set up repeatedly at the junctions of 234 streets all over the municipality. Over 6,000 motorized vehicles were stopped by force and used as obstructions; among them, 16 were overturned, smashed, and burned. A total of 1,223 vehicles (among them, 1,017 were buses) had their tires punctured or suffered damage. At the same time, they also laid down on many railway intersections in the municipality to intercept trains and disrupt railway transportation. Eleven railway intersections on Guangxin Road were repeatedly occupied and blocked, causing an interruption of nearly 50 hours in the transportation of Shanghai-Nanjing and Shanghai-Hangzhou Railways and the suspension of operations of 281 passenger and freight trains. A grave incident of turmoil in which a train was set on fire and the engine driver, public security cadres, and policemen were assaulted occurred at the railway intersection on Guangxin Road in the evening of 6 June. Nine railway carriages were burned and over 170 people's policemen, railway staff, and workers were assaulted during the turmoil, which resulted in a direct economic loss of 5.7 million yuan. It was alarmingly shocking and had the most undesirable impact on society.

The despicable acts of blocking city traffic plotted by the tiny minority evoked strong resentment among the people across the municipality. The original wishful thinking of these very few people was that 3 days of compelled suspension of work and closed markets, plus their reactionary propaganda, would trigger spontaneous strikes, including shopkeepers' strikes, by Shanghai's working class. However, the outcome was just the contrary. Educated and moved by the true fact of the quelling of the rebellion in Beijing, the Shanghai people, especially the working class, sided more and more firmly with the party and the government and became increasingly indignant with the disturbance makers. The very few turmoil plotters were afraid that if they continued to use the same strategy, they "would touch off the people's indignation." After holding meetings to study this question, they decided to change their strategy to one of organizing a number of small teams to storm factories to force the workers to go on strike, because they believed that "the pressure resulting from 1 day's worker strike equalled that caused by 10 days of students' sit-in." Accordingly, beginning 7 June, lots of small teams of students visited big factories, including the Jiangnan Shipyard, the Shanghai No 5 Steel Plant, the Great China Rubber Plant, and the Baoshan Iron and Steel

Complex, as well as such "heavily devastated areas" during the "Cultural Revolution" as the Shanghai Diesel Engine Plant to egg on the workers to stage a strike. But what they did was only meet with resolute resistance from the party, administrative organizations, and the broad masses of workers in these factories.

In addition, the very few plotters, organizers, and directors of the turmoil made a reckless move to go all out to conduct terrorist activities during this period. They instigated college students to "make or buy weapons" so as to wage an "armed struggle" against the party and government. On 5 and 6 June, big-character posters instigating terrorist activities were put up at Fudan University, the Shanghai University of Science and Technology, and the East China Institute of Chemical Engineering. These posters egged on the students to "discard all illusions and take up various weapons to fight the bogus government to the finish," and to "make various chemical and mechanical weapons by themselves and spontaneously form various action groups to damage bureaucrats' luxurious cars; beat, injure, and even kill puppet troops, police, and senior officials at all levels; and sabotage military installations." The posters also said that the choice is either that we let the enemies step on our dead bodies to march forward or that we advance by stepping on their dead bodies." At Fudan, Tongji, Jiaotong, and the East China Teachers' Universities and the Shanghai Institute of Foreign Trade, some people even openly incited the students to make Molotov cocktails and grenades, "devise chemical weapons," and "blast gas stations and chemical plants" in an attempt to create a big turmoil. Due to their instigation, some students of Tongji University bought a number of fruit knives and watermelon knives. Some students were so hotheaded that they committed acts of beating, smashing, looting, and burning. On 5 June, some students of the Shanghai Engineering University intercepted a truck used for making emergency repairs belonging to the No 6 Plant of the Public Transportation Administration. They shattered the windows of the truck, smashed its engine, looted the tools it carried, and finally overturned the truck. On 7 June, at the Wujiao Area of Jiangwan, some students together with lawless elements in society set fire on a route-75 bus of the Public Transportation Administration. Under the planning of Zhang Cai, leader of the "Federation of Autonomous Student Unions in Universities and Colleges" and some other people, about 100 students of Fudan and Tongji Universities formed a "dare-to-die heroic corps" and staged a sit-in and a demonstration in front of the municipal Public Security Bureau on 10 June in "protest" against that bureau's arrest of members of the Shanghai "Federation of Autonomous Worker Unions."

The intense turmoil that lasted several days in early June in Shanghai, albeit tempestuous, could not have any significant effect—just as an arrow at the end of its flight. On 4 and 5 June, the "Federation of Autonomous Student Unions in Universities and Colleges" was able to mobilize from 3,500 to 7,000 students to take to the



streets, but on 7 and 8 June, it was difficult to mobilize even a few hundred. On 9 June, the "Federation of Autonomous Student Unions in Universities and Colleges" sponsored a so-called "memorial meeting for dead compatriots in Beijing" at the people's square. Before the meeting, 7 or 8 hours were spent on trying to mobilize the students in various schools. In this way, barely 4,000 people were convinced to attend the meeting. After the conclusion of the meeting, a group of people went to the gate of the JIEFANG RIBAO office where they chanted slogans and burned newspapers. They also broke into the office of the Huangpu district government and used paint to unscrupulously smear the signboards of party and government organs of that district. The masses described the atrocities of these people as their last desperate leap.

It also should be pointed out here that following the quelling of the rebellion in Beijing, a very few plotters of turmoil in Shanghai and Beijing once attempted to "move the center southward" of the turmoil by establishing a so-called "National Federation of Autonomous Student Unions in Universities and Colleges" in Shanghai to continue their desperate struggle. On 3 June, Zhang Cai, leader of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges," went to Beijing to meet with Wang Youcai, secretary general of the Beijing "Federation of Autonomous Student Unions in Universities and Colleges." They secretly plotted for "the establishment of a National Federation of Autonomous Students Unions in Universities and Colleges." Wang Youcai said: Now, "some members of the Beijing 'Federation of Autonomous Student Unions in Universities and Colleges' have withdrawn, others are missing, and still others have gone into hiding. Since the 'Beijing Federation of Autonomous Student Unions in Universities and Colleges is incapable of forming a National 'Federation of Autonomous Student Unions in Universities and Colleges', it is better to set up such an organization in Shanghai." After Zhang Cai returned to Shanghai on 9 June, he intended to go all out to do something. But when he saw the drastic change of the situation and found that even the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" could not survive, he decided to try to escape to Hong Kong to form a so-called preparatory committee for the "National Federation of Autonomous Student Unions in Universities and Colleges." On the afternoon of 11 June, he openly defied the municipal government's 10 June circular on banning the illegal organization of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges"; refused to register it with the public security organ and; in the "company" of certain foreign embassy and consulate officials stationed in China, went to the Hongqiao Airport in an attempt to escape to Hong Kong. But he was detained on the spot by our public security organ. On the evening of 10 June, the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" held a standing committee meeting. The meeting announced deplorably: "In view of the current situation," "we

should be well prepared for a long-term struggle" and "should no longer make useless sacrifices." On the same evening, the "Autonomous Student Union" of East China Teachers' University put up a big-character poster under the title of "Good-bye, people of the Teachers' University," to announce the "self-dissolution" of this organization as of that date. On 11 June, the "autonomous unions" of other institutions of higher learning such as Fudan, Tongji, and East China Institute of Chemical Engineering also declared "self-dissolution" by putting up notices or making announcements through radio broadcasts. In the ensuing days, leaders of the Shanghai "Federation of Autonomous Student Unions in Universities and Colleges" either turned themselves in or moved to other places or ran away. Up to then, Shanghai's student unrest and turmoil, which had lasted for nearly 2 months, had gradually been put down.

In putting down this turmoil in Shanghai, the working class played a decisive role. After Mayor Zhu Rongji made a televised speech on "stabilizing the overall situation and stabilizing Shanghai" on 8 June, 100,000 workers together with cadres and residents in Shanghai took to the streets on the very evening to remove barricades. On the early morning of 9 June, city traffic resumed after being blocked for several days, and a scene of people working in peace reappeared on the banks of Huangpu Jiang. The resolute quelling of the counterrevolutionary rebellion in Beijing was the decisive reason why Shanghai's turmoil could be put down in one stroke by relying on the working class. This radically removed the hotbed for creating nationwide turmoil, eliminated the "old den" of the rioters, and greatly frightened the very few creators of turmoil in Shanghai. The true fact of the rebellion in Beijing, especially the tragic sights of the people's soliders wildly killed by a handful of ruffians, gave a profound lesson to the cadres, staff members, and workers in the whole municipality. Meanwhile, throughout the course of dealing with the student unrest and stabilizing society, Shanghai always received prompt instructions and timely support from the party Central Committee and the State Council. Without the correct leadership of the party Central Committee and the State Council, and without Beijing's resolute action, it would have been impossible to put down the turmoil in Shanghai, and it hardly would have been imaginable that a stable situation could appear in Shanghai.

Shanghai's turmoil has been put down. The experiences and lessons of this turmoil are multi-faceted. Perhaps the most predominant is that "we should not underrate five things." These are: First, we should never underrate the seriousness of the turmoil in Shanghai. Second, we should never underrate the serious extent of the spread of bourgeois liberalization in Shanghai. Third, we should never underrate the social background for the turmoil in Shanghai. Fourth, we should never underrate the various activities of infiltration and sabotage against Shanghai that were committed by hostile forces inside and outside our country during the turmoil. Fifth, we should never underrate the serious ideological chaos in Shanghai's

party organizations caused by Zhao Ziyang's dilution [dan hua 3225 0553] of party leadership. Under the direction of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the 8th plenary session of the 5th municipal party committee, we should conduct in-depth work of investigation and liquidation, and see to it that the evil is thoroughly eradicated and that no trouble will arise in the future. At the same time, we should make a serious effort to sum up the past experience and open up a new future; uphold the party's basic line of "one central task and two basic points"; and continue to struggle hard to stabilize Shanghai, stabilize the overall situation, and ensure the stability and good order of our party and state for a long time to come.

### Shanghai Discusses 'Mopping up' Instigators

OW2109072889 Shanghai City Service in Mandarin  
2200 GMT 28 Aug 89

[From the "Morning News" program]

[Text] The Shanghai municipal party committee and the Shanghai Municipal People's Government, at a meeting they sponsored yesterday afternoon for principal leading cadres of departments, committees, offices, districts, counties, and bureaus, called for intensifying leadership over the drive to mop up felons involved in the recent upheaval in Shanghai. They called for surmounting all mental obstacles and following through with the drive.

Zhu Rongji, municipal party secretary and mayor of Shanghai, and Wu Bangguo, municipal party deputy secretary, gave important instructions at the meeting. Zhu Daren, director of the municipal office in charge of the mopping-up drive, reported on the progress of his work. The leading group in charge of consolidating Fudan University and SHIJIE JINGJI DAOBAO and the party committees of municipal organs exchanged views on their respective operations.

It was pointed out at the meeting that the recent mopping-up drive in Shanghai has had a good start and is proceeding satisfactorily as a whole. However, leading authorities of some units still do not fully understand the need for the drive and so their actions have been slow, their measures have been ineffective, and their efforts have not been in earnest at all. It said: If these units fail to correct such an attitude promptly, the mopping-up drive might very well end up without results.

The meeting stressed: Leading authorities at all levels must fully understand the necessity and formidability of the mopping-up drive. By no means should they think that the storm of the upheaval has passed and that they have nothing more to worry about. They must by no means underestimate the seriousness of the upheaval in Shanghai, the serious inundation of bourgeois liberal ideas in Shanghai, the social foundation of the upheaval, and the infiltration and sabotage carried out by external hostile forces [jing wai di dui shi li] during the upheaval, as well as the serious harm and ideological confusion

created by Comrade [tong zhi] Zhao Ziyang's mistakes. They must be determined to remove the root cause of the upheaval.

The meeting urged all departments and units to intensify their leadership over the mopping-up drive earnestly and consider it an important mission of this year. The meeting pointed out: To make the mopping-up drive a success, we must strictly adhere to the established policies and correctly distinguish two different types of people. There are the extremely small number of instigators, creators, and behind-the-scenes commanders of the upheaval, as well as other felons who have committed serious crimes. They must be firmly and thoroughly ferreted out and brought to justice according to law. We must ensure that such evildoers are wiped out and will not make trouble ever again. However, the misinformed people—especially students—who took part in parades, sit-ins, hunger strikes, and other support activities must primarily be handled through education. We should warmheartedly enlighten them, provide them with proper guidance, help them learn a lesson, and make every efforts to win over all those who can be won over.

The meeting was chaired by Zhang Dinghong, member of the municipal party Standing Committee and secretary of the municipal party Discipline Inspection Commission.

Also present at the meeting were Comrades Chen Zili, Ye Gongqi, and Zhao Qizheng.

### Shanghai To Improve Laws for Joint Ventures

OW2109134889 Beijing XINHUA in English  
1153 GMT 21 Sep 89

[Text] Shanghai, September 21 (XINHUA)—Shanghai will make consistent efforts to improve its legislation and policies to provide a better legal environment for foreign-funded enterprises.

This was announced by a spokesman of the Shanghai municipal government recently.

The city will work out a series of laws and regulations for foreign-funded enterprises on employment, installing public facilities and economic consultation.

The spokesman said the municipal government regards the development of the export-oriented economy as the basis of Shanghai's economic prosperity. So, perfection of the legal system is an important way to improve the investment environment and expand foreign economic relations and trade on the basis of mutual benefit and equality, he said.

In the first eight months of this year, Shanghai, China's biggest industrial city, signed 160 contracts for foreign investment projects worth 286 million U.S. dollars—respectively 16 and 44 million U.S. dollars more than in the same period last year.

The city has attracted foreign investment totalling 2.44 billion U.S. dollars and established 670 foreign-funded enterprises, among them 240 have gone into production.

According to recently published regulations, foreign-funded enterprises can buy their needed materials on both local and world markets.

Also, with the approval of the relevant departments, foreign-funded enterprises can set up material purchase and sales agents abroad, the regulations say.

Up to now, the Shanghai Municipal Government has published about 30 laws and regulations on application and approval procedures for the establishment of joint ventures, labor management, material supply, marketing and commodity prices, and inspection of export and import commodities, as well as on land use.

All these laws and regulations are aimed at protecting the interests and production of foreign-funded enterprises.

#### Shanghai Active in Foreign Academic Exchanges

OW2109074889 Beijing XINHUA in English  
1141 GMT 20 Sep 89

[Text] Shanghai, September 20 (XINHUA)—Higher learning institutions in Shanghai, China's leading industrial city, have been active in the past 10 years of reform in various exchanges with their foreign counterparts.

In the early 1950s, only a limited number of universities in the city had academic exchanges with 14 universities in the Soviet Union, according to Zhang Ruikun, deputy director of the Shanghai Higher Learning Institution Bureau.

However, in the past 10 years, 36 of the city's 51 higher learning institutions have carried out academic exchanges with 309 foreign counterparts under academic exchange agreements.

These universities have invited about 170 foreign experts and teachers in the past 4 years.

Meanwhile, they have sent abroad more than 6,000 teachers and research fellows, over 2,000 of whom have returned to their work units.

Fudan University has sent abroad 642 of its faculty members for advanced studies in the past 10 years. Some 321 of them have returned and many of them have become the backbone of teaching and scientific research in the university, the education official said.

The returned teachers undertake 58 percent of the university's state-level research projects, he added.

Returned university teachers in the city have opened more than 900 courses on new branches of science and new subjects. Some 40 percent of the returned teachers in Jiaotong University and 9 other universities have been promoted to leading posts.

Sixteen higher learning institutions have also received 1,176 foreign students from 81 countries and regions this year, as against only 5 foreign students received in 1954.

Foreign experts here have carried out 172 scientific projects with their Chinese counterparts and have trained 11,727 Chinese teachers and 36,446 students.

In the past 8 years, universities here have held 104 international academic symposiums on various subjects, with 10,000 attendants, 2,300 of them overseas scholars; the official said.

Also in the past 10 years, more than 900 foreign governments sent delegations from higher learning institutions and over 600 nongovernmental delegations of higher learning from more than 60 countries and regions came to the city for academic exchanges, the official added.

#### Construction Official Reviews Zhejiang Growth

OW2109183389 Beijing XINHUA in English  
1251 GMT 21 Sep 89

[Text] Hangzhou, September 21 (XINHUA)—After 40 years of construction, east China's Zhejiang Province has built 162 key, large and medium-sized projects, thus laying a solid foundation for its economic development.

According to an official in charge of key construction projects under the provincial government, by 1988 the province's total investment in state capital construction amounted to 44.69 billion yuan (about 12 billion U.S. dollars), and 32,096 billion yuan-worth of fixed assets have been added—100 times the figure in 1949, the year New China was founded.

Especially in the past 10 years, Zhejiang has stepped up its construction of key projects and achieved remarkable success. Priority has been given to the light and textile industries:

Since the founding of the People's Republic of China in 1949 the provincial authorities have reformed and expanded existing enterprises and built up large numbers of new enterprises which have been fitted with advanced equipment.

In the past 40 years the province has invested a total of 2.845 billion yuan (about 768 million U.S. dollars) in the development of textile and light industries involving cotton and wool spinning, silk, chemical fibers, paper making, food processing, leather, watches, bicycles, TV sets, refrigerators, tape-recorders, washing machines.

In 1949 the irrigated areas in the province accounted for 50 percent of the farmland, and those with stable yields despite drought or excessive rain accounted for only 5.7 percent.

During the past 40 years the province has built 3,530 large, medium-sized and small reservoirs, 2,166 sluice gates and reinforced dikes in 11,800 places.



Now the irrigated areas and areas with stable yields despite drought or excessive rain have respectively increased to 85.5 percent and 58.2 percent.

The development of energy resources, communications and transportations, raw materials and other basic industries shows the following results:

From 1979 to 1988 the province invested in these sectors 7.67 billion yuan (about 2.07 billion U.S. dollars), accounting for 36.9 percent of their total funds.

In the early 1950s the province built the Huangtangkou Hydroelectric Power Station with a generating capacity of 30,000 kw and the Xinan Hydroelectric Power Station—the first designed and completed in New China—with a generating capacity of 662,500 kw on the Wuxi and Xinan Rivers.

By 1988 Zhejiang had built seven large and medium-sized hydroelectric power stations with a combined capacity of 1.4737 million kw, and 3,315 small ones with a total generating capacity of 703,500 kw in rural areas.

Meanwhile a number of thermal power plants, such as those at Zhenhai (850,000 kw) and Taizhou (750,000 kw), have been completed and put into operation in cities.

Besides, the Beilungang Thermal Power Plant, the largest of its kind in Zhejiang, will have a generating capacity of 2.4 million kw. The first-phase construction of this project will have two generating units of 1.2 million kw each; one of them will be put into operation next year.

At the same time, the first-phase construction of China's self-designed nuclear power plant will have a capacity of 300,000 kw and is expected to go into operation in 1990.

Zhejiang has also achieved great progress in communications and transportation:

In the past 40 years the provincial authorities have poured 3,803 million yuan (about 1.02 billion U.S. dollars) into construction of communications facilities.

Now the province has four ports, including Beilun Port which has a berth for ships of 100,000 dwt and two berths of 25,000 dwt. The three other ports are at Zhenhai, Zhoushan and Wenzhou.

By 1988 transport and communications lines had linked all parts of the province. Highways have radiated in all directions, and air transportation and telecommunication services, including international telecommunication services, are working efficiently.

In the materials industry, the province has set up a series of administration departments in charge of steel, metal, the petroleum and chemical industries, and some building materials, coal and cement production bases.

From 1979 to 1988 the province invested 2,709 million yuan (about 73 million U.S. dollars) in the development of science, education, culture and health care, which had

been listed important development items since 1979. The money was 5.8 times the figure of 1949.

The province had not only expanded and renovated existing schools, but also built some colleges, secondary and special schools, and a number of scientific research, cultural, sports and health care undertakings.

The province also poured 2,122 million yuan, or 8.9 times the amount in 1949, in the construction of public facilities and improvement of living conditions.

Last year, the province's investment in fixed assets reached 4,117 million yuan, of which 2,090 million yuan was used in exploitation of energy resources, communications, production of raw materials, science, education, culture and health care.

This year, the province's total investment is 2.6 billion yuan, and 2.2 billion yuan will be used for 53 key projects.

It is learnt that some of these key projects are expected to be completed and put into operation this year.

## Northeast Region

### Heilongjiang Party Building Conference Closes

#### Planning Stressed

SK2009112489 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Sep 89

[Excerpts] The provincial conference on party building and on ideological and political work ended on 19 September. The conference participants stressed that it is necessary to take the party's basic line as guidance, solve the problem of coordination, and strengthen party building and ideological work realistically.

The conference stressed: It is necessary to strengthen the party's political, ideological, and organizational leadership, and enable them to give full play to their role. At present, we must do a good job in the clean-up work, purify party organizations, and concentrate efforts on investigating problems concerning key units and people. At the same time, we must pay attention to policies and strictly distinguish between the two different types of contradictions.

The conference discussed and adopted a work plan on conducting party member registration work in selected units. At present, we must formulate an implementation plan and establish relevant organizational organs. Units which do not carry out the party member registration work should continue to democratically appraise party members.

The conference called for making the best use of time to conduct comprehensive appraisals, and to understand cadres' ideological understanding and actual manifestations during the whole course of turmoil and rebellion.

The incompetent ones must be resolutely readjusted. It is necessary to select outstanding cadres to join the leading bodies. [passage omitted]

The conference worked out plans for promoting the party's fine traditions and workstyle and for overcoming passive and decadent phenomena. It stressed that we must adopt resolute measures to overcome the unhealthy trend of pleading for others, establish a network of connections, and impartially investigate and handle a number of major and appalling cases. Prior to the end of this year, all localities should openly try some cases on discipline violations in order to inspire the people. In addition, we must promote administrative honesty, adhere to the purpose of serving the people wholeheartedly, and fundamentally solve problems concerning administrative honesty.

The conference clearly defined the party organizations' role of being a political core in enterprises, and pointed out that the plant directors of enterprises should respect the leading role of secretaries, and secretaries should respect plant directors' key role in production and operation. It is necessary to persist in the principle of having the party to manage cadres. The political work cadres of enterprises and administrative cadres should be given the same wages and material benefits. The work of appraising and defining the professional titles of political workers should be carried out in a unified manner.

The conference participants pointed out: Daqing has provided many good experiences for the whole province in strengthening party building and ideological and political work which merit our study and popularization.

The conference participants studied the decision of the provincial party committee on learning from Daqing's ideological and political work experience and the province's situation in carrying out ideological and political work, and stressed that we should fully understand the importance of strengthening ideological and political work, extensively and deeply conduct education on the party's basic line, uphold the Marxist guiding role, and strengthen research on theoretical education.

The conference called on all localities to strengthen and improve the party's leadership over ideological and political work, and establish a leadership system of having the party, masses, and the Communist Youth League organizations to grasp jointly ideological and political work. [passage omitted]

The provincial party and government leaders, including Sun Weiben, Shao Qihui, and Zhou Wenhua, attended and addressed the conference. Wang Zhao, Wang Luming, Li Genshen, Qi Guiyuan, Xie Yong, Zhang Xianling, and Chen Liemin attended the conference.

### Secretary Sun Speaks

*SK2009120089 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Sep 89*

[Text] At the Heilongjiang provincial conference on party building and on ideological and political work which ended on 19 September, Sun Weiben, secretary of the provincial party committee, gave an important speech on the current practical problems, which people are endlessly discussing. While touching on the issue of persisting on focusing our work on economic construction, and the issue of having the party handle party affairs, Sun Weiben said: We must correct the tendency that the party fails to handle party affairs. Secretaries of the party committees at all levels should foster the ideology of taking party building as their primary responsibility, and personally participate in studying and solving problems concerning party building. This work should not be grasped only by secretaries in charge of this work, or by functional departments. We must foster the ideology of having the whole party attend to party building. When we correct the tendency that the party fails to handle party affairs, we do not mean that the work of the whole party may depart from economic construction, which is the focus of our work. Speaking from a long-term viewpoint, without a steady economic development, there would not be a long period of good political order and stability. Therefore, at present, the four modernization drives remain our major political work. We must prevent the tendency of abandoning and breaking away from the party's leadership over economic work. Organizing and leading the four modernization drives is the basic intention of the ruling party. The thought and the action of wantonly abandoning and rejecting the party's leadership over economic work is wrong. The correct management method should be on studying and solving the major policy issues concerning economic construction, and guaranteeing a political orientation in economic construction. We should select and recommend outstanding cadres in line with the demands of the party's basic line, and according to the standards required of party cadres; do a good job in building leading bodies at all levels, which are competent for assuming leadership and responsibility in economic construction, and guarantee the correct implementation of the party's economic work policies by giving full play to the role of party organizations and party members.

Comrade Sun Weiben also touched on the issues of adhering to four cardinal principles and emancipating thinking. He said: These two are identical. We must resist the bourgeois liberalization view of some people under a situation of emancipating thinking, particularly the so-called ideological emancipation, which aims at negating the four cardinal principles. We must also prevent the trend of suspecting and negating the positive achievements in emancipating thinking. Some comrades draw lessons in a passive manner and they dare not mention emancipating thinking. They even consciously and unconsciously treat some things which are originally the positive achievements in emancipating thinking as

bourgeois liberalization views. This situation should merit our attention and vigilance.

Comrade Sun Weiben pointed out: We must not impute all the problems emerged in the previous stage to reform and opening up, and waver in the reform orientation and in our confidence. The current improvement and rectification drive is not a retrogression of reform and opening up. Instead, it aims at creating conditions for deepening reform. Therefore, all reform measures and policies officially promulgated and issued by the CPC Central Committee, the State Council, the provincial party committee, and the provincial government, provided that they are not readjusted, must be resolutely implemented. We must sum up experience and improve them gradually in the course of implementation.

Comrade Sun Weiben stressed: We must correctly understand and treat the problems between adhering to the party program and nature and the implementation of policies of the present stage. He said: While implementing the party's policies for the present stage, we should expand the propaganda on communism and enthusiastically encourage and promote all new things with communist factors. In this way, we can enable the broad masses of people inside and outside the party to feel the hopes of the party and the nation. Party members have the responsibility and obligation to organize the implementation of the party's present policies. However, not all the things permitted by the present policies are permitted to be carried out by party members. We must not lower the standards required of party members to the level permitted by the present policies. We must also not permit those persons who are out of the tune with the communist cause to enter the party. We must strictly stress the standards required of party members and improve their quality.

While talking about the issue concerning the political core status of the enterprise party committees and the key status of plant directors of enterprises, Sun Weiben said: Before revising the enterprise law, we must continue to do a good job in separating the functions of the party from administrative organs so that each can perform their own duty. The party and administrative organs should coordinate with each other. To grasp ideological work, we must begin production; and to grasp production, we must begin with ideological work. We must actively carry out our work around this common goal. In the everyday work of enterprises, plant directors should safeguard the leading status of secretaries in the centralized leadership of the party committees, and secretaries should support the key status of plant directors in production and operation.

#### **Jilin Secretary Attends Sentencing**

*SK2009125089 Changchun Jilin Provincial Service  
in Mandarin 1030 GMT 18 Sep 89*

[Text] The provincial party committee and government held a rally to implement the notice of the Supreme People's Court and the Supreme People's Procuratorate,

and to handle publicly economic criminals at Changchun City Gymnasium this morning. Fourteen economic criminals were sentenced leniently or strictly according to the law. Li Xiangwu, chief procurator of the provincial People's Procuratorate, was the first to speak. He announced the results of the handling of five criminals on behalf of the provincial People's Procuratorate. Among the five criminals, (Song Wanxi), (Guan Weimin), (Li Rixin), and (Zhou Jinghai) abused their authority or the convenience provided by their jobs to take bribes or embezzle public funds, the amount of which was tremendous. However, they were able to surrender themselves voluntarily and freely return the illicit money. They were exempted from prosecution and released immediately. Criminal (Zhang Cheng) took advantage of the convenience provided by his job to embezzle public funds, and retaliated against and framed the person who had reported his crime. He was arrested according to law and punished strictly.

Then on behalf of the provincial Higher People's Court, Xie Anshan, president of the provincial Higher People's Court, announced sentences of nine criminals guilty of embezzlement. Among them, (Jin Shi), (Jin Minglai), and (Li Zhongxun) embezzled a particularly great amount of public funds, and their offenses were particularly serious. They should have been strictly sentenced to death. However, in view of the fact that they were able to surrender themselves, return the embezzled money, and take a fairly good attitude to admit their crimes, they were punished leniently—being sentenced to a 15-year imprisonment term, life imprisonment, and death with a reprieve, respectively. Criminal (Li Chunri) squandered a tremendous amount of public funds, caused a serious economic loss to the state, and had a bad attitude about confessing his crime. He was strictly sentenced to death according to law. Criminal (Xu An) took advantage of the convenience provided by his job to embezzle public funds for a long period of time. He embezzled a tremendous amount of public funds entrusted to his care and the offense was particularly serious. He was strictly sentenced to death according to law. (Sun Yunmin), former deputy director of the Tonghua City Public Security Bureau, committed the crimes of embezzlement, bribe-taking, speculation, practicing favoritism in violation of law, secret possession of guns, and hooliganism. In line with the regulation of doling out punishments for several crimes at the same time, sentences were given for his crimes respectively, with the combined period of imprisonment totaling 35 years. It was decided that a (20-year) imprisonment will be imposed. Other economic criminals (Li Chunxiao), (Liu Pingwen), and (Jiang Fuzhi) were sentenced to 11 years imprisonment, 15 years imprisonment, and life imprisonment respectively.

Gao Wen, deputy leader of the political and legal leading group of the provincial party committee and provincial vice governor, presided over today's rally. Wang Zhongyu, deputy secretary of the provincial party committee and provincial governor, spoke. He said: Giving out lenient and strict punishment respectively to those who confess their



crimes and those who refuse to do so is our party's consistent policy. We should unswervingly implement the principles and policies formulated at the fourth plenary session of the party Central Committee and the arrangements made at the third plenary session of the fifth provincial party committee; greatly step up efforts to improve democracy and the legal system, with the focus on the one central task and the two basic points; adopt realistic measures to punish corruption strictly and promote honesty; and resolutely deal blows to such economic criminal activities as embezzlement, bribe-taking, and speculation so as to dampen greatly the arrogance of economic criminals.

Wang Zhongyu urged: Party committees and governments at various levels throughout the province should conscientiously strengthen leadership, promote the struggle, ensure that there are persons at every level to hold the responsibility, and accomplish a few things in a down-to-earth manner to reflect their determination to remain honest in performing their official duty, punish corruption according to law, and establish good social conduct. They should conscientiously publicize and implement the notice of the Supreme People's Court and the Supreme People's Procuratorate that elements who engaged in embezzlement, bribe-taking, and speculation have to surrender themselves and confess their crimes within a definite time, mobilize the masses to expose crimes, and build up a great momentum throughout society in which the masses wage resolute struggles against economic criminals. They should resolutely implement the policy of meting out lenient punishment to those who confess their crimes and strict punishment to those who refuse to do so, and pay great attention to the handling of major and serious cases. Those who surrender themselves, confess their crimes, and actively return the illicit money within the definite time or make contributions should be treated leniently. Those who refuse to surrender themselves and confess their crimes within the definite time, who destroy evidence and transfer the illicit goods and money in order to conceal their crimes, and who collude with and shield one another and refuse to surrender themselves should be punished strictly in line with the principle of meting out strict punishment according to law. They should pay attention to both dealing blows and preventive measures, step up efforts to tackle problems comprehensively, and prevent and reduce crimes.

Attending the rally were leading persons of the provincial party committee, Advisory Commission, People's Congress, government, committee of the Chinese People's Political Consultative Conference, and Discipline Inspection Commission; and leading persons of Changchun City, including He Zhukang, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Liu Xilin, Wu Yixia, Li Deming, Gao Yan, Ke Muyun, Wang Yunkun, Chen Hong, Feng Yingkui, Feng Ximing, Zhang Dexin, Guan Mengjue, Luo Yuejia, Lu Shiqian, Feng Xirui, Zhang Hongkui, (Jin Mingzhi) and Liu Yang.

### **Jilin Secretary Inspects Beijing-Harbin Highway**

SK2009110889 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 19 Sep 89

[Text] The Changchun-Lalinhe section of the Beijing-Harbin Highway will soon be completed. On the afternoon of 18 September, He Zhukang, Wang Yunkun, Wu Yixia, and other provincial and Changchun City leaders, as well as responsible comrades of the provincial communications department, inspected the longest second-grade highway of the province to date. Completion of this highway will put an end to the [words indistinct] from Harbin to Beijing and leave unimpeded the highway from the northeast China frontier area to Beijing.

### **Liaoning Peasants' Standard of Living Improves**

SK2009014389 Shenyang Liaoning Provincial Service  
in Mandarin 1030 GMT 18 Sep 89

[Summary] Over the 10 years of rural reform, peasants in Liaoning Province saw a rapid increase in their incomes and a remarkable improvement in their living standards. Before the 3d Plenary Session of the 11th CPC Central Committee, the average per-capita income of peasants was only about 200 yuan or even lower. After 1978, the average per-capita income of peasants was over 200 yuan. The development of diversified undertakings and township enterprises enabled the peasants to earn more. Their average per-capita income reached 500 yuan or even 1,000 yuan. About 12 percent of peasants in the province earned more than 1,000 yuan. According to data released by the provincial Statistical Bureau, in 1988, the average per-capita income of peasants in the province reached 699.58 yuan, an increase of 2.8 times over 1978. The average per-capita living expenses of peasants reached 566.57 yuan, a record in history. In 1988, the average per-capita grain consumption of peasants in the province declined from 261.5 kg to 45.9 kg. However, the average per-capita consumption of flour and rice rose from 54.9 kg to 113.8 kg. The average per-capita consumption of cotton cloth fell by 72.3 percent from 1978 and that of chemical fabrics rose by 1.4 times. At the same time, the living conditions of peasants improved. During the past 10 years, 60.1 percent of peasant families moved into new houses. The average per-capita living space reached 14.8 square meters.

### **Liaoning Develops Urban Collectives**

SK2009125489 Shenyang Liaoning Provincial Service  
in Mandarin 1030 GMT 19 Sep 89

[Summary] Through the last decade of reforms and development, the urban collective sector of the economy has become a key component part of our province's social and economic development. So far, there are 55,000 collective enterprises in the urban areas of the province, and these enterprises have 4.42 million staff members and workers, accounting for 43 percent of the province's total. The total output value of society realized by these enterprises last year reached 33 billion yuan, accounting for 20 percent of the province's total social output value; and these enterprises realized more than 2.4 billion yuan of profits and handed over 2.96 billion yuan of taxes to higher levels.

**Wuer Kaixi, Others To Visit Taiwan***OW2509151089 Beijing XINHUA in English  
1453 GMT 25 Sep 89*

[Text] Beijing, September 25 (XINHUA)—Yan Jiaqi, Wuer Kaixi and others who were involved in the turmoil and anti-government rioting in the April-June period this year and fled the Chinese mainland, are expected to go to Taiwan to engage in political activities in mid-December, according to Taiwan newspaper reports.

Reports said that they will participate in a comprehensive seminar on Taiwan's development and make speeches while touring the island province.

It is reported that Yan Jiaqi and Wuer Kaixi have made contact with the Taiwan authorities many times since they fled abroad. Interviewed recently by the Taiwan press, Wuer Kaixi openly expressed his hope to "win the most direct aid for the democratic movement from Taiwan." He said Taiwan "is duty-bound" to support the so-called Mainland Democracy Movement.

In the wake of the national turmoil and counter-revolutionary rebellion, Taiwan's "Executive Yuan" approved a draft in support of this movement.

In a recent report, "Executive Yuan President" Li Huan also promised to "give spiritual and material support to the people involved in the Mainland Democracy Movement through various channels."

Moreover, Taiwan's "Ministry of the Interior" also plans to allow "people involved in the Mainland Democracy Movement" to visit or settle in Taiwan.

**Article Reviews Cross-Strait Trade Relations***HK2609075189 Beijing RENMIN RIBAO in Chinese  
20 Sep 89 p 4*

[Article by An Min (1344 3046), deputy director of the Department of Economic Relations and Trade With Taiwan Under the Ministry of Foreign Relations and Trade: "Trade Across the Strait Over the Past Four Decades"]

[Text] Trade between Mainland China and the Taiwan region can be described as economic exchange between different regions of the country. For reasons known to all, for nearly 30 years since the founding of New China, both sides were in a state of acute political and military confrontation, and as a result, all direct contacts between the people on both sides of the strait came to a halt.

The 3d Plenary Session of the 11th CPC Central Committee held in December 1978 put forward and defined the major principle of striving for the peaceful unification of the motherland. After this, the party again put forward the concept of "one China, two systems," which has become the basic principle for the CPC and the Chinese Government to solve the issue of Taiwan, and

thus the relationship between both sides of the strait entered a new period of development.

In the 10 years since 1979, indirect trade between the two sides has developed speedily. By the end of 1988, the volume of indirect trade between both sides had reached \$8.2 billion, with the mainland's exports to Taiwan totalling \$1.5 billion and imports from Taiwan totalling \$6.7 billion. Over the past 10 years, the volume of trade between both sides has increased by an annual average of 48.6 percent. Of this, exports from the mainland to Taiwan have increased by an annual average of 26.9 percent, and imports from Taiwan have increased by an annual average of 68 percent. Last year, the volume of indirect trade between the two sides reached a record of \$2.72 billion, which represents a 35.3-fold increase over 1979. From this, exports from the mainland to Taiwan accounted for \$480 million and imports from Taiwan accounted for \$2.24 billion, 38.6-fold and 106.8-fold increases when respectively compared with 1979.

Although only indirect trade is possible at the present time, the concrete mode of trade has changed greatly over the past 10 years. With over 400,000 Taiwan compatriots coming to the mainland last year to visit relatives and friends and for traveling, industrialists and businessmen on both sides of the strait have had more direct contacts since. These Taiwanese are able not only to visit the mainland's export commodities fairs, such as the one held in Guangzhou, but are also able to travel extensively in the mainland, go sightseeing, conduct investigations, and hold direct business negotiations with trading firms on the mainland. However, because of Taiwan's "Three Noes Policy", no direct business agreements or foreign exchange settlements are possible. Cargos have first to be shipped to the ports of other countries or regions, or to be transported in barges. Moreover, under the "Restriction of Imports and Relaxation of Exports" principle, the Taiwanese authorities have placed so many restrictions on the import of the mainland's products, hindering the two-way trade exchange between both sides of the strait.

In order to protect the legal rights and interests of all parties in indirect trade, the relevant nongovernmental organizations of both sides have since last year been in contact in Hong Kong to work out practical means to deal with trade disputes between both sides, and there is some progress in this respect.

Indirect trade between the two sides continues to progress this year. In the first half of this year, with Hong Kong as an entrepot, the trade volume between both sides reached \$1.75 billion. The entrepot trade volume for the whole year is expected to exceed \$3 billion. After the political disturbance in Beijing, many Taiwan industrialists and businessmen have gradually found out the facts of the incident, knowing that the mainland's open policy and its various policies toward Taiwan will remain unchanged. Many farsighted Taiwan industrialists and businessmen

have never stopped trade connections with the mainland, and are exploring the possibility of further expanding trade contacts. But we also note that for some time the Taiwan authorities have incorrectly estimated the situation. They set off another upsurge of anticommunism, clamoring for the so-called economic sanctions and "political counteroffensive" against the mainland. This is against the development trend and will further mar the trade development between the two sides. Taiwan will ultimately hurt itself with the rock it has lifted.

The trade development between the two sides of the strait has traversed a zigzag road over the past 40 years. Facts prove that equal trade relations on a mutual-profiting and mutual-exchanging basis will bring mutual complement, mutual benefit, and common prosperity. We sincerely hope to make joint efforts with farsighted Taiwan industrialists and businessmen to bring about the early normalization of trade relations across the strait. Both sides should join forces to rejuvenate China. A unified China will stand towering in the world like a giant with a more prosperous and powerful outlook.



## Hong Kong

### Ji Pengfei Reiterates Policy on Territories

HK2209140789 Beijing RENMIN RIBAO in Chinese  
21 Sep 89 p 5

[Article by Ji Pengfei (1213 7720 7378), director of the Hong Kong and Macao Affairs Office of the State Council: "One Country, Two Systems, Joint Development"]

[Text] The 40th anniversary of the founding of the PRC will soon arrive, and I wish to extend holiday greetings to all the Hong Kong and Macao compatriots who have shown great concern and love for the motherland over the past several years.

Since the founding of the PRC, the Chinese Government has time and again reiterated that Hong Kong and Macao are Chinese territories and that the Chinese people do not recognize the unequal treaties imposed upon them by foreign countries. The Chinese Government has always held that it will peacefully settle all the questions left over from history through negotiations with foreign countries when conditions are ripe. Over the past several years, the Chinese Government has implemented a series of principles aimed at promoting the economic prosperity and social stability of Hong Kong and Macao. In particular, the Chinese mainland has for many years provided large quantities of staple and non-staple food, daily necessities, fresh water, and industrial raw materials to Hong Kong and Macao at preferential prices. All these special measures adopted by the Chinese Government have constituted a reliable guarantee for the economic development of Hong Kong and Macao. Over the past several decades, no matter what happened on the mainland and no matter what difficulties confronted the mainland, the Chinese Government has not changed its basic principle towards Hong Kong and Macao.

Since the 3rd Plenary Session of the 11th CPC Central Committee, China has entered a new historical period. The reunification of the motherland has become one of the three major tasks confronting the Chinese people in the new historical period. Recovering Hong Kong and Macao and resuming sovereignty over them have thus become a component part of China's national reunification cause. With the approach of the year 1997, conditions for settling the Hong Kong question have become ripe. According to the proposition of "one country, two systems," which was put forward by Comrade Deng Xiaoping, the Chinese Government has formulated a series of special policies aimed at settling the Hong Kong and Macao questions. Through negotiations with the British and Portuguese Governments, the Chinese Government has signed the Sino-British Joint Declaration on the Future of Hong Kong and the Sino-Portuguese Joint Declaration on the Question of Macao with the British Government and the Portuguese Government respectively. According to the Sino-British Joint Declaration and the Sino-Portuguese Joint Declaration, China will

resume the exercise of sovereignty over Hong Kong and Macao effective 1 July, 1997 and 20 December, 1999 respectively.

The successful settlement of the Hong Kong and Macao questions has not only signified a major step China has taken toward national reunification, but also provided a useful experience for other countries in the world to settle their problems left over from history.

All the principles and policies formulated by the Chinese Government according to the proposition of "one country, two systems" are based on the histories and realities of Hong Kong and Macao and are aimed at safeguarding China's sovereign principle, ensuring continued prosperity and stability in Hong Kong and Macao, and showing concern for the interests of all the parties concerned. It is because of this reason that all the principles and policies formulated by the Chinese Government regarding Hong Kong and Macao have been supported by Hong Kong and Macao compatriots and hailed by the international community. The principles and policies formulated by the Chinese Government regarding Hong Kong and Macao have been fully embodied in the Sino-British Joint Declaration on the Future of Hong Kong and the Sino-Portuguese Joint Declaration on the Question of Macao. Moreover, the Basic Law of the Hong Kong Special Administrative Region and the Basic Law of the Macao Special Administrative Region which are currently being drafted will turn these principles and policies of the Chinese Government into the laws which will remain unchanged for 50 years after China resumes the exercise of sovereignty over Hong Kong and Macao.

In recent months, some people in Hong Kong and Macao have developed some misgivings about whether the Chinese Government will continue to implement its long-standing principles and policies toward Hong Kong and Macao in the future. On 22 June of this year, on behalf of the Chinese Government, I made a solemn statement on this question. Now I would like to reiterate: All the policies formulated by the Chinese Government according to the proposition of "one country, two systems" with regard to Hong Kong and Macao will not change. The Chinese Government will consistently abide by the Sino-British joint declaration and the Sino-Portuguese joint declaration. All our policies regarding Hong Kong and Macao will not change. This is because the proposition of "one country, two systems" is not an expedient measure, but a policy of great strategic significance. The implementation of this policy will contribute to the peaceful reunification of China, the maintenance of stability and prosperity in Hong Kong and Macao, the maintenance and development of the interests of all the countries concerned in Hong Kong and Macao, and the maintenance of world peace as a whole. Since ours is a correct, practical, and feasible policy which has taken into account the realities in Hong Kong and Macao and the interests of all the parties concerned, there is no reason for us to change this policy.

During the present transitional period and after China resumes the exercise of sovereignty over Hong Kong and Macao, Hong Kong and Macao will continue to implement the capitalist system which is different from the socialist system implemented on the Chinese mainland. In handling relations between Hong Kong and Macao on the one hand and the mainland on the other, I hope that both the mainland and Hong Kong and Macao will bring into full play their respective economic advantages, cooperate with each other, support each other, and benefit each other so as to jointly carry out their economic development. Politically, the Chinese mainland should acknowledge the reality that Hong Kong and Macao will continue to implement the capitalist system for a long time to come, and should not try to introduce and apply its socialist system and socialist policies to Hong Kong and Macao. On the other hand, Hong Kong and Macao should also respect the socialist system implemented on the mainland and should not try to interfere with or make an attempt to change the socialist system practised on the mainland. No one is allowed to use Hong Kong and Macao as a base to subvert the central people's government on the Chinese mainland. When the people of the mainland go to Hong Kong and Macao, they should abide by the laws of Hong Kong and Macao. When Hong Kong and Macao compatriots return to the mainland, they should also abide by the Chinese Constitution and laws and safeguard China's sovereignty and unification. In a nutshell, the Chinese

mainland on the one hand and Hong Kong and Macao on the other should at once understand that we are of one country, and acknowledge that our social systems differ from each other and that we should complement each other and jointly carry out our economic development.

The practice over the past 40 years since the founding of the PRC has proven that the Chinese mainland and Hong Kong and Macao have shared weal and woe and have stood together through thick and thin. A stable and prosperous Hong Kong and a stable and prosperous Macao will certainly contribute to the building of socialist modernization in our motherland. On the other hand, a strong and powerful China will no doubt be a reliable guarantee for Hong Kong and Macao to maintain their stability and prosperity. I am fully convinced that along with the reform and opening up of the mainland, and along with the development of the socialist construction cause on the mainland, the relations of economic cooperation between the mainland on the one hand and Hong Kong and Macao on the other are bound to witness an overall and speedy development in the foreseeable future. I believe that with the concerted efforts of the people of Hong Kong, Macao, and the mainland, we will surely be able to open up a new prospect for the implementation of the proposition of "one country, two systems" and for the joint development of Hong Kong, Macao, and the Chinese mainland in the near future!

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